

# Supplementary Agenda



## Meeting of West Dunbartonshire Council

**Date:** Wednesday, 27 June 2018

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**Time:** 18:00

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**Venue:** Civic Space,  
Council Offices, 16 Church Street, Dumbarton

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**Contact:** Craig Stewart  
Tel: 01389 737251 –[craig.stewart@west-dunbarton.gov.uk](mailto:craig.stewart@west-dunbarton.gov.uk)

Dear Member

### ITEMS TO FOLLOW

I refer to the agenda for the above meeting which was issued on 15 June 2018 and now enclose copies of the reports relating to **Items 4, 7 and 8** which were not available for issue at that time.

Members are requested to note that the report relating to **Item 9**, which was issued previously as pages 23 to 25 in the original production of papers for this meeting, will require the suspension of Standing Orders prior to its consideration.

Yours faithfully

**JOYCE WHITE**

Chief Executive

Note referred to:-

**4 MINUTES OF AUDIT COMMITTEE 31 – 34**

Submit for information and where necessary ratification, the Minutes of Meeting of the Audit Committee held on 21 March 2018.

**7 DISTRICT HEATING NETWORK FOR QUEENS QUAY AND CLYDEBANK**

**(a) Exclusion of Press and Public**

The Council is asked to consider the following resolution:-

“That this report be heard under exclusion of Press and Public under Section 50 A(1) and also under Section 50J together with Schedule 7A Part 1 Paragraphs 8 and 9 of the Local Government (Scotland) Act 1973 on the grounds that it may involve the likely disclosure of exempt information.”

**Note:** Suspension of Standing Orders will be required to allow consideration of the following item.

**(b)** Submit report by Strategic Lead – Regeneration . **223 - 239**  
seeking approval to increase the Council’s capital investment by up to £3.0m to a maximum of £9.0m for the Queens Quay District Heating Project, for the installation and delivery of a District Heating Network to initially serve the proposed developments at Queens Quay with the potential for further extension throughout the wider Clydebanks area.

**8 DRAFT STATEMENT OF ACCOUNTS 2017/18 35 – 221**

Submit report by Strategic Lead – Resources providing a copy of the draft Statement of Accounts for 2017/18 together with information as to the outturn for 2017/18 per the draft accounts.

**9 USE OF MICROPHONES – PROPOSED CHANGE TO STANDING ORDERS** **Report issued previously (Pages 23 – 25)**

Submit report by Strategic Lead – Regulatory seeking approval of a proposed change to Standing Orders.

**Note:** Members are requested to note that the suspension of Standing Orders will be required to allow consideration of this item.

Distribution:-/

Distribution:-

Provost William Hendrie  
Bailie Denis Agnew  
Councillor Jim Bolla  
Councillor Jim Brown  
Councillor Gail Casey  
Councillor Karen Conaghan  
Councillor Ian Dickson  
Councillor Diane Docherty  
Councillor Jim Finn  
Councillor Daniel Lennie  
Councillor Caroline McAllister  
Councillor Douglas McAllister  
Councillor David McBride  
Councillor Jonathan McColl  
Councillor Iain McLaren  
Councillor Marie McNair  
Councillor John Millar  
Councillor John Mooney  
Councillor Lawrence O'Neill  
Councillor Sally Page  
Councillor Martin Rooney  
Councillor Brian Walker

Chief Executive

Strategic Director - Transformation & Public Service Reform

Strategic Director - Regeneration, Environment & Growth

Chief Officer - West Dunbartonshire Health & Social Care Partnership

Date of issue: 22 June 2018



## **AUDIT COMMITTEE**

At a Meeting of the Audit Committee held in the Civic Space, Council Offices, 16 Church Street, Dumbarton on Wednesday, 13 June 2018 at 2.00 p.m.

**Present:** Councillors Jim Brown, Daniel Lennie, Jonathan McColl, John Millar, John Mooney, Martin Rooney and Brian Walker.

**Attending:** Joyce White, Chief Executive; Angela Wilson, Strategic Director - Transformation & Public Service Reform; Stephen West, Strategic Lead - Resources; Colin McDougall, Audit and Risk Manager and Craig Stewart, Committee Officer.

**Also Attending:** Zahrah Mahmood, Senior Auditor and Gemma McNally, Trainee Auditor, Audit Scotland.

**Apologies:** Apologies for absence were intimated on behalf of Councillor Karen Conaghan and Lay Member Ms Eilidh McKerry.

**Councillor John Mooney in the Chair**

### **CHAIR'S REMARKS**

Councillor Mooney, Chair, welcomed everyone to the first meeting of the Audit Committee to be held in the Civic Space in 16 Church Street, Dumbarton. Councillor Mooney then advised that, due to work commitments, Mr Stevie Doogan had resigned as a Lay Member of the Committee. In this respect, Councillor Mooney, on behalf of the Committee, wished to put on record his thanks to Mr Doogan for his diligence and service to the Committee, and advised that the recruitment for a replacement Lay Member would take place in due course.

### **DECLARATIONS OF INTEREST**

It was noted that there were no declarations of interest in any of the items of business on the agenda.

### **MINUTES OF PREVIOUS MEETING**

The Minutes of Meeting of the Audit Committee held on 21 March 2018 were submitted and approved as a correct record.

## **OPEN FORUM**

The Committee noted that no open forum questions had been submitted by members of the public.

## **AUDIT ACTION PLANS**

A report was submitted by the Strategic Lead - Resources advising of:-

- (1) recently issued Internal Audit action plans; and
- (2) progress made against action plans previously issued contained within Internal Audit and External Audit reports.

After discussion and having heard the Audit and Risk Manager and relevant officers in further explanation and in answer to Members' questions, the Committee agreed to note the contents of the report.

## **INTERNAL AUDIT ANNUAL REPORT TO 31 MARCH 2018**

A report was submitted by the Strategic Lead - Resources advising of the work undertaken by Internal Audit in respect of the Annual Audit Plan 2017/18 and advising Members of the contents of the Annual Assurance Statement given to the Section 95 Officer (Strategic Lead - Resources) in support of the Statement of Internal Financial Control/Governance Statement.

After discussion and having heard the Audit and Risk Manager and the Chief Executive in further explanation and in answer to Members' questions, the Committee agreed to note the contents of the report.

## **INTERNAL AUDIT CHARTER – UPDATE**

A report was submitted by the Strategic Lead - Resources providing an updated version of the Audit Charter which had been submitted to the meeting of the Audit & Performance Review Committee on 9 March 2016.

After discussion and having heard the Audit and Risk Manager and relevant officers in further explanation and in answer to Members' questions, the Committee agreed:-

- (1) to approve the revised Internal Audit Charter; and
- (2) otherwise to note the terms of the discussion that had taken place in respect of this matter.

## **CODE OF GOOD GOVERNANCE**

A report was submitted by the Strategic Lead - Resources advising of the outcome of the annual self-evaluation undertaken of the Council's compliance with its Code of Good Governance.

After discussion and having heard the Audit and Risk Manager and the Strategic Lead in further explanation of the report and in answer to a Member's question, the Committee agreed:-

- (1) to note the outcome of the recent self-evaluation process in considering how the Council currently meets the agreed Code of Good Governance; and
- (2) to note the issues identified and improvement actions.

## **ACCOUNTS COMMISSION REPORT: *LOCAL GOVERNMENT IN SCOTLAND CHALLENGES AND PERFORMANCE 2018***

A report was submitted by the Strategic Lead - Resources providing a national audit report, for information and consideration, which had been received from the Accounts Commission.

After discussion and having heard the Strategic Lead and Ms Mahmood, Senior Auditor in further explanation and in answer to Members' questions, the Committee agreed to note the report and the position of the Council in terms of the report's recommendations as detailed in paragraph 4.2 of the report.

## **AUDIT SCOTLAND REPORT: *WEST DUNBARTONSHIRE COUNCIL: MANAGEMENT REPORT 2017/18 – MAY 2018***

A report was submitted by the Strategic Lead - Resources providing for information a report which has been received from the Council's external auditors, Audit Scotland, and, in addition, information on management actions implemented following receipt of the report.

After discussion and having heard the Strategic Lead and Ms Mahmood, Senior Auditor in further explanation and in answer to a Member's question, the Committee agreed to note the report and the agreed improvement actions.

The meeting closed at 2.42 p.m.





## **WEST DUNBARTONSHIRE COUNCIL**

### **Report by Strategic Lead - Resources**

**Council – 27 June 2018**

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#### **Subject: Draft Statement of Accounts 2017/2018**

#### **1. Purpose**

- 1.1** The purpose of this report is to provide Council with a copy of the draft Statement of Accounts for 2017/2018 together with information as to the outturn for 2017/18 per the draft accounts.
- 1.2** The report also provides Council with the management's proposed timetable for the budget process 2019/20 for consideration.

#### **2. Recommendations**

- 2.1** Members are asked to:
  - (a) note the contents of this report and the attached draft Statements of Accounts, subject to the understanding that the draft accounts may change depending upon the audit of the accounts undertaken by the Council's external auditors;
  - (b) note the information provided in relation to the financial performance of the Council's services and capital plan for 2017/18;
  - (c) note that a report on the audited accounts will be submitted to Council in September 2018 for approval;
  - (d) note that the audited Trust Fund Accounts will be presented to the Trust Committees at a meeting for approval, prior to being reported to Council;
  - (e) note the attached draft 2019/20 budget timetable; and
  - (f) agree that the Council will guarantee the loan due to Clydebank Community Sports Hub, to the value of £0.100m.

#### **3. Background**

- 3.1** The Council is required by law to produce its draft Statement of Accounts for audit by 30 June each year.
- 3.2** The Local Authority Accounts (Scotland) Regulations 2014 came into force on 10 October 2014, revoking the Local Authority Accounts (Scotland) Regulations 1985. The legislation introduced a number of changes to the Statements, including:

- (a) the requirement for Council's formal consideration of the draft Management Commentary & Financial Statement of Accounts prior to 31 August each year. However, best practice is that the Statements should be reported to the Council for formal consideration prior to submission to the Accounts Commission by 30 June each year;
  - (b) the regulations require the notice for the public's right 'to inspect and object to the Statements requires be published no later than 18 June 2018 and the Statements to be available for inspection no later than 2 July 2018; and
  - (c) the requirement to 'aim' to approve the audited Annual Accounts for signature no later than 30 September each year (with publication no later than 31 October each year).
- 3.3** A copy of the draft financial Statement of Accounts (including the Group Accounts) for the year ended 31 March 2018, is appended to this report as Appendix 1.
- 3.4** The management commentary within the draft Statements states that following the setting of the budget in March 2018, the projections identified current expected gaps of £7.646m in 2019/20 and a further £6.160m for 2020/21.
- 3.5** At Council in May 2018 Members agreed further spend during 2018/19 to be funded through the Change Fund and free reserves held. These funds have not been earmarked within the Financial Statements as agreement was not prior to 31 March 2018. This spend also has an ongoing impact by increasing the projected budget gaps of the Council noted in 3.4 above.
- 3.6** The Council's long-term finance strategy will be reviewed and reported to a future Council later in 2018 and in setting the budget for 2019/20. The budget process for 2019/20 (including projections for 2020/21 and 2021/22) is now due to commence.
- 3.7** In previous years, as a result of the agreed Committee timetable, the Audit, Performance and Review Committee has approved the audited Annual Accounts to enable the Council to meet its requirement to approve the audited Accounts by no later than 30 September each year. However with the recently approved timetable for the forthcoming year the audited accounts can be reported directly to Council at the 27 September 2018 meeting and then referred to Audit Committee on 12 December 2018 for further scrutiny.

## 4. Main Issues

4.1 The draft accounts, including the group accounts, have now been prepared and passed to the Audit Scotland to commence their audit process.

4.2 The draft accounts show that the Council has been successful in managing its expenditure within the budgets approved for both the General Fund and the Housing Revenue Account (HRA).

### Management Commentary

4.3 The Management Commentary within the Accounts provides information, particularly in relation to objectives of the Council and its performance. The purpose of this commentary is to inform users of the Statement and help users assess if the Council has performed its duty to promote the success of the Council. The Commentary is on pages 2 to 14 of the Statement of Accounts.

### General Fund – Revenue position

4.4 In relation to the General Fund, as at 31 March 2018, the Accounts showed a General Fund balance of £11.013m. Of this balance, £6.671m is earmarked for specified purposes, leaving an unearmarked balance of £4.342m.

4.5 The unearmarked reserve position as at 31 March 2018 has decreased from the previous year, with a number of the commitments having changed. Appendices 2 and 3 compares the budget against actual and is summarised as follows:

	£m
<b>Unearmarked balance at 31 March 2017</b>	<b>5.063</b>
Council commitment to future budgets	(1.110)
	<u>3.953</u>
In-year surplus against original budget 2017/18	0.389
<b>Unearmarked balance at 31 March 2018</b>	<b><u>4.342</u></b>

4.6 The in-year surplus against original budget of £0.389m is the favourable variance against the overall budget in year. Information on variances is provided within Appendix 3.

4.7 The unearmarked balance of £4.342m is greater than the prudential reserve target of £4.122m which is considered necessary to safeguard assets and to protect services against financial risk.

4.8 A provision for the settlement of remaining Single Status claims was also made at 31 March 2018, totalling £0.317m and for Voluntary Early Retirements/ Voluntary Severance £0.153, both of which are outwith the unearmarked balance noted above.

- 4.9** At the Council meeting on 5 March 2018 the position projected for services for 2017/18 was that there would be a favourable variance of £0.272m. The final outturn shows a favourable against this by £0.117m (out of a total favourable variance £0.389m), before taking account of the additional commitment to future budgets (£1.110m), resulting in an overall reduction in the free reserve of £0.721m.
- 4.10** The Council maintains statutory accounts for two trading operations under the provisions of the Local Government Scotland Act 2003: Housing Maintenance and Grounds Maintenance/Street Cleaning. These operations returned a collective surplus in the year of £2.759m and both operations have achieved a break even performance over the last three years in line with their statutory requirements.
- 4.11** The council tax in-year collection rate increased to 95.41% (95.21% in 2016/17).

Housing Revenue Account – Revenue position

- 4.12** In relation to the HRA, the accounts show a balance of £7.422m as at 31 March 2018. Of this balance £6.572m is earmarked to assist in a number of areas, including the regeneration of the Housing estate, as agreed by a previous Council decision, leaving an unearmarked balance of £0.850m, which is exactly in line with the prudential reserve target. The HRA outturn and main variances are noted in Appendices 4 and 5.

	£m	£m
<b>Balance at 31 March 2017</b>		6.963
Allocation to earmarked balances	0.004	
In-year surplus against original budget	0.455	0.459
<b>Balance at 31 March 2018</b>		<b>7.422</b>
Earmarked		(6.572)
<b>Unearmarked balance as at 31 March 2018</b>		<b>0.850</b>

Capital Programme position

- 4.13** Details of the capital programmes are shown in Appendix 6 (General Fund) and Appendix 7 (HRA) and are summarised below. The appendices detail the outturn of the projects within 2017/18 and provide further information on the projects which have been identified as red status (i.e. those projects which are likely to be significantly overspent and/or to have significant delays in completion). A list of the main capital projects is given on page 8 of the Statement of Accounts. A number of projects have been reported previously to Council as having to be re-phased and the most significant are listed on page 9. The year end position is summarised as follows:

	<b>General Services</b>	<b>HRA</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Original budget	93.967	31.748	125.715
Actual Spend	45.198	21.233	66.431
Overspend	3.145	1.258	4.403
Underspend	(3.586)	(0.138)	(3.724)
Re-phased	48.328	11.635	59.963
Re-phased (%)	51.43%	36.65%	47.70%

#### Group Accounts

- 4.14** The Council is required to prepare Group Accounts in addition to its own Annual Accounts. Group Accounts are prepared when a Council has a material interest in other organisations. The purpose of the accounts is to combine its financial information with other organisations within its group. For 2017/18, the Council's group consists of:

- (a) West Dunbartonshire Leisure Trust;
- (b) Dunbartonshire and Argyll and Bute Valuation Joint Board;
- (c) Strathclyde Partnership for Transport;
- (d) Strathclyde Concessionary Travel Joint Board;
- (e) Clydebank Property Company;
- (f) Health and Social Care Integrated Joint Board; and
- (g) Dumbarton Common Good and Trust Funds.

- 4.15** The effect of combining these entities on the Group Balances Sheet is to increase reserves and net assets by £25.931m creating an overall net asset of £328.755m. However, it should be noted that for one of the combining entities (the Valuation Joint Board), there lies a net liability held on their individual Balance Sheet related to the defined pension schemes. However, as there is no reason to suggest the future funding to these organisations will not continue, the accounts have been prepared on a going concern basis.

#### Further steps in finalising

- 4.16** To enable the Council to meet its requirement, Members require to approve the audited Annual Accounts for signature no later than 30 September 2018. Therefore the audited accounts will be reported to Council at the 27 September 2018 meeting and then referred to Audit Committee on 12 December 2018 for further scrutiny.

#### Common Good and Charity Accounts

- 4.17** Appendix 8 provides Members with the accounts of the Trust Funds which are administered by the Council. These Financial Statements are also audited by our external auditors prior to submission to the Office of the

Scottish Charity Regulator (OSCR). As noted in 4.14 (g), these are also included within the Council's Group position.

- 4.18** The audited Trust Fund accounts will be approved by the Council, together with the Council's Financial Statements, but will be presented to the Trust Committees prior to this for Trustee approval.

Financial Planning 2019/20

- 4.19** Following the preparation of the Council's draft Statement of Accounts 2017/18, the process for review and update of the Long-term Financial Strategy and the Draft budget for 2019/20 will commence. A draft management timetable for this process has been prepared and is attached as Appendix 9, for Members' information.

Council as Guarantor

- 4.20** The Council has an ongoing capital project with Clydebank Community Sports Hub (CCSH) (total project cost of £3.865m, approved by Council on 5 March 2018). Of this, funding is due from a variety of different sources, including Council funding of £1.735m, external funding of £2.030m and CCSH £0.100m. The project has already commenced and the Council has incurred expenditure to date of £1.425m.
- 4.21** CCSH funding is being sourced from a loan from Social Investment Scotland, however to drawdown the loan CCSH requires a guarantor for the loan and CCSH has asked the Council if they would be willing to become the guarantor. If a guarantor is not sourced by the likely drawdown date (September 2018) then the project would face an overall funding shortfall of £0.100m.

**5. People Implications**

- 5.1** There are no people implications.

**6. Financial and Procurement Implications**

- 6.1** There are no direct financial or procurement implications arising from this report.

**7. Risk Analysis**

- 7.1** If the Council agree to be guarantor for the loan, there is a risk of non-payment by CCSH, in which case the Council becomes liable for the outstanding loan amount and any outstanding interest. This risk will be mitigated by the Council working on an ongoing basis with the CCSH throughout and after the project to ensure proper prioritisation of the repayment of the loan and the inclusion within transaction documents of appropriate obligations on CCSH to repay the Council any sums called on under the guarantee.

## **8. Equalities Impact Assessment (EIA)**

- 8.1** No equalities impact was required in relation to the preparation of this report.

## **9. Consultation**

- 9.1** The views of Legal Services have been requested on this report and have advised there are neither any issues nor concerns with the report.

## **10. Strategic Assessment**

- 10.1** Sound financial practices are cornerstones of good governance and support Council and officers to pursue the 5 strategic priorities of the Council's Strategic Plan.

.....  
**Stephen West**  
**Strategic Lead - Resources**  
**Date: 21 June 2018**

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**Person to Contact:** Gillian McNeilly, Finance Manager, Garshake Road, Dumbarton  
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**Appendices:**

- 1 - Draft Financial Statement of Accounts to 31 March 2018;
- 2 - Year end General Services Revenue Budgetary Control Position 2017/18 (Budget versus actual);
- 3 - General Services Revenue Variance Analysis 2017/18 (Budget versus actual);
- 4 - Year end HRA Revenue Budgetary Control position 2017/18 (Budget versus actual);
- 5 - HRA Revenue Variance Analysis 2017/18 (Budget versus actual);
- 6 - Year end General Service Capital Position 2017/18;
- 7 - Year end HRA Capital Position 2017/18;
- 8 – Trust Fund Accounts 2017/18; and
- 9 – Draft Budget 2019/20 Timetable

**Background Paper:** Report to Council 5 March 2018 to set Council Tax and Housing Rents 2017/18

**Wards Affected:** All





# **DRAFT ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**



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## Management Commentary

### 1. Introduction

The purpose of this Management Commentary is to inform all users of these Financial Statements and help them assess how the Council has performed its duty to promote the success of the Council. It is to provide clear information about the Council's performance during the financial year 2017/18 and the financial position as at the financial year end 31 March 2018. The Management Commentary is intended to give an easy to understand guide to the most significant matters of the Council's business during the year - including progress against key performance indicators, a description of the principal risks and uncertainties facing the Council and the likely impact of the actions to mitigate these risks. In addition, it provides some detail on the Council's future plans.

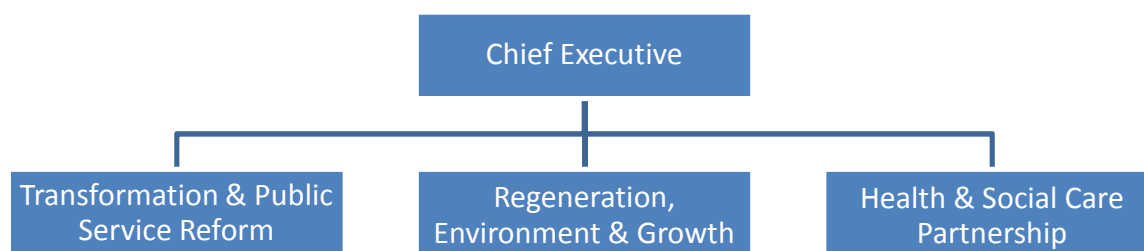
### The Council

Following local government reorganisation in Scotland, under the Local Government (Scotland) Act 1994, West Dunbartonshire Council was established in 1996. It is an average sized Council in Scotland at around 98 square miles and has many strengths; including significant sites of natural beauty and heritage, good transport links and close proximity to Glasgow and its airport. The area has a rich past, shaped by its world-famous shipyards along the Clyde, and boasts many attractions ranging from the iconic Dumbarton Rock and the Titan Crane, to the beauty of Loch Lomond.

The Council is responsible for providing a wide range of local authority services (including education, social work, housing, environmental health, environmental services, planning, economic development, employment, highways and transport) to residents within the West Dunbartonshire area.

Excluding casual staff, the Council employed (as at 1st April 2018) a headcount of 6,175 employees (or 4,674 full time equivalent employees). These figures comprise a combination of permanent and fixed-term employees as well as apprentices, serving a population of approximately 89,610 (1.7% of overall Scotland population). The Council is generally accepted to suffer from economic deprivation, for example, the percentage of total population who are income deprived is 22% (Scotland 16%); the percentage of economically active people at a working age in employment is 71.9% (Scotland 74.3%); and life expectancy at birth is between 74.7 years (males) and 78.9 years (females) (Scotland 77.1 years (male) and 81.1 years (female)).

The Council is led by 22 councillors, elected every five years to represent the residents within the area. Following the Local Government elections in May 2017, the Council has a minority SNP administration with Councillor Jonathan McColl as its Leader. The senior management structure consists of the Chief Executive, Joyce White, with two Strategic Directors and eight Strategic Leads, including the Section 95 Officer (Strategic Lead - Resources), with the Integrated Joint Board (referred to as Health and Social Care Partnership or HSCP) being managed at a senior level by the Chief Officer (Beth Culshaw) and four Heads of Service. The Council has one Arms' Length Organisation – West Dunbartonshire Leisure Trust – which operates certain services on the Council's behalf. The Council also owns a regeneration company: Clydebank Property Company.



### 2. The Strategic Plan

Nationally, the Scottish Government sets out its joint priorities and local authorities, together with their community planning partners agree a planned approach aligned to these through the Local Outcome Improvement Plan (LOIP). The Council's LOIP, covering the period from 2017 to 2027, feeds through into its Strategic Plan. Within the Council's 2014 to 2022 Strategic Plan, the Council committed to improving outcomes in key areas in order to deliver on its vision that:

## Management Commentary (Cont'd)

### 2. The Strategic Plan (Cont'd)

*West Dunbartonshire Council will deliver high quality services, led by priorities identified by the communities of West Dunbartonshire, in an open and transparent way*

Supporting the Strategic Plan and following the implementation of the new management structure at the start of 2016/17 each Strategic Lead has developed service Delivery Plans, each highlighting priorities and objectives which are set out and designed to support the delivery of the Council's Strategic objectives. These plans are refreshed annually and progress reported to relevant Committees every 6 months. On 1 July 2015 the HSCP was formed and generated its own Strategic Plan, linked to the Council's and to the LOIP.

The Strategic Plan identified 5 priorities aligned to the Council's vision, as follows:

- A strong local economy and improved job opportunities;
- Supporting individuals, families and carers living independently and with dignity;
- Meaningful engagement with active, empowered and informed citizens who feel safe and engaged;
- Open, accountable & accessible local government; and
- Efficient and effective frontline services that improve the everyday lives of residents.

#### Performance Reporting

The Council monitors and reports its performance against these priorities through the Strategic Plan Scorecard (SPS); where planned performance targets are monitored through a suite of key performance indicators. Performance is reported to Council and Committees for scrutiny and identification of any required remedial action. The Council also publishes an annual Public Performance Report which provides residents with a summary of progress being made.

In conjunction with this internal SPS, the Council (together with all Scottish local authorities) measures a common set of performance indicators called the Local Government Benchmarking Framework. Using the same indicators across all councils allows comparisons of performance, identification of best practice and enables councils to learn from each other. Full details of the most up to date performance information are available on the Council's website at:

[www.west-dunbarton.gov.uk/council/performance-and-spending/](http://www.west-dunbarton.gov.uk/council/performance-and-spending/)

#### The Council's Budgets in 2017/18

The Council approved the 2017/18 budget on 22 February 2017 based on a band D Council Tax at £1,163. The revenue budget was set at £212.1m (as detailed in the table below) to be funded by Scottish Government Grant (£167.7m); Council Tax (including Council Tax Replacement Scheme Funding) (£42.2m) and reserves (£2.2m).

Service Area	Budget (£m)
Corporate Services	19.4
Education	88.6
Infrastructure, Regeneration & Economic Development	25.2
Housing & Employability	4.1
Health & Social Care Partnership	60.7
Loan Charges	11.3
Other	2.8
<b>Total</b>	<b>212.1</b>

The budget was subsequently updated during the year for a number of variables, resulting in an increase in net expenditure to £212.5m. The resulting year end budgetary position as detailed on page 6 of this commentary.

## Management Commentary (Cont'd)

### 2. The Strategic Plan (Cont'd)

The Council also approved the revised capital plan with a planned spend in 2017/18 for General Services of £79.6m, prior to any 2016/17 re-phased capital and in-year additional projects being included. This investment to be funded from a range of sources including: government grants and the Council's ongoing revenue support. Major areas of investment included economic regeneration, schools refurbishment and new build, roads and infrastructure and a range of other Council assets.

The Council also approved the Housing Revenue Account budget and agreed Council house rents at the meeting on 22 February 2017 increasing the rent by 2.25% and a capital investment for 2017/18 of £28.0m, prior to any 2016/17 re-phased capital being included. The resulting year end budgetary position is detailed on page 6 of this commentary.

### 3. Overview of Core Financial Statements

The Statement of Accounts contains the financial statements of the Council and its group for the year ended 31 March 2018. The Council operates two main Funds in running its services:

1. The General Fund - for all expenditure and income associated with running of all Council services except the provision of Council houses. This fund is funded mainly from Scottish Government grant and council tax; and
2. The Housing Revenue Account - all expenditure and income associated with the provision of Council housing and is funded primarily through rental income from tenants.

The Financial Statements comply with the Code of Practice on Local Authority Accounting in United Kingdom. Two major categories of expenditure are included in the financial statements, as follows:

1. Revenue expenditure - represents the day to day running costs incurred to provide services; and
2. Capital expenditure - is the cost of buying, constructing and improving the assets which the Council uses to provide services.

**Revenue expenditure** is recorded in a number of the main statements in these accounts with the purposes of these main statements being as follows:

- **the Comprehensive Income and Expenditure Statement** - shows the income and expenditure for all Council services. It is shown on page 30;
- **the Movement in Reserves Statement** - shows how the Income and Expenditure Account surplus or deficit for the year reconciles to the movement on the General Fund for the year. It also highlights movement on all other reserves held on the Council's Balance Sheet (including the Housing Revenue Account). It is shown on page 31. Further information on each of the reserves held and how it may be used is also detailed within notes 28 and 29 on pages 74 and 75; and
- **the Housing Revenue Account** - shows the income and expenditure for Council housing services for the year. It is shown on pages 80 to 82 which also includes the statement of movement on the Housing Revenue Account Balance.
- **Capital expenditure** is analysed in note 19 on pages 63 and 64 which details the capital expenditure and the sources of finance that have been used to fund the capital plan investment in 2017/18.
- **the Balance Sheet** on page 32 summarises the assets and liabilities of the Council. It is a statement of the resources of the Council and the means by which they have been financed. It is also a report on the Council's financial position at one particular point in time, a snapshot of its financial affairs at the close of the year expressed in accounting terms.

## Management Commentary (Cont'd)

### 3. Overview of Core Financial Statements (Cont'd)

- **the Cash Flow Statement** on page 33 shows the inflows and outflows of cash arising from transactions with third parties on both day to day revenue transactions and on capital activities. Cash is defined for the purpose of the statement as cash-in-hand and deposits repayable on demand less overdrafts repayable on demand.
- **Notes to the Core Financial Statements** are provided on pages 34 to 79 which give further information and analysis relevant to each statement, with the main accounting policies detailed on pages 98 to 111.

### Comprehensive Income and Expenditure Statement

#### **General Fund**

This account covers the day to day operational income and expenditure for each service of the Council and is now reported in line with the Council's committee structure. There have been changes to the Council's Committee reporting structure during 2017/18 and note 1 on page 34 details the effect of this change to the 2016/17 comparative figures within the Statement.

Income from council tax, non-domestic rates and revenue support grant was £214.091m with a net expenditure on services for the year of £229.429m (as shown on page 30 - Net Cost of Services).

Due to tight financial control over service spending, the Council was able to return an in year surplus from services of £0.389m against budget (2016/17 £2.407m). Many of the favourable variances are due to specific management action in areas such as: control of vacancies and staff cover; general process and efficiency review; specific restructuring of service delivery; spending control; and implementation of agreed savings targets. Although, there is an element of demand led favourable variances, particularly within Early Years within Educational Services the level of favourable variance has been partially offset due to some areas of overspend.

The Council's in-year collection of council tax increased from 95.21% in 2016/17 to 95.41% in 2017/18. Uncollected council tax is pursued for collection after the end of the financial year.

After taking account of the decrease in general earmarked balances since 31 March 2017 (£1.384m), the commitment to future budgets (£1.110m) and the in-year budgetary position (£0.389m), the overall deficit for the year was £2.105m. This is deducted from the brought forward balance from the previous year (£13.118m), resulting in an accumulated surplus at 31 March 2018 of £11.013m (as shown on page 31). This includes an earmarked amount of £6.671m leaving £4.342m available for future use. Of the earmarked balance £2.038m has been set aside for the Council's Change Fund and £1.000m for an Apprenticeship Fund.

This un-earmarked balance compares with that of £5.063m as at 31 March 2017 and shows that the un-earmarked reserve position has decreased by £0.721m during the year. The Council's Prudential Reserves Policy is to retain a prudential reserve of 2% of net expenditure (excluding requisitions to Valuation, SPT, etc.) in order to safeguard assets and services against financial risk. The current target prudential reserves level for the General Fund is £4.122m and the position at financial year end exceeds this level of reserve by £0.220m. The General Fund's budgetary performance for the year is summarised in the following table. The table also highlights how the in-year surplus affects the overall reserves balance held for future use.

## Management Commentary (Cont'd)

### 3. Overview of Core Financial Statements (Cont'd)

	Original Budget £000	Revised Budget £000	Spend Against £000	Variance £000	£000
Total General Services Reserves Held as at 31/3/17					(13,118)
Total Expenditure	212,115	212,538	212,364	(174)	
Total Income (including use of reserves)	(212,115)	(212,538)	(212,753)	(215)	
Net Budgetary Control Position				(389)	
Net commitment to future budgets				1,110	
Net movement in earmarked balances				1,384	
<b>Movement in Reserves from 1/04/17 to 31/03/18</b>					<b>2,105</b>
<b>Total General Services Reserves Held as at 31/3/18</b>					<b>(11,013)</b>
Net increase in the Movement in Reserves before transfer to Statutory Reserves					2,490
Transfer to statutory reserves					(385)
					<b>2,105</b>

#### Housing Revenue Account (HRA)

By law the Council has to maintain a separate account for the running and management of its housing stock. The number of units owned by the Council at 31 March 2018 was 10,445 compared to 10,580 at 31 March 2017; the movement is detailed in the table below:

Opening house numbers	<b>10,580</b>
Disposals	(66)
Demolitions	(73)
Buy back	4
Closing house numbers	<b>10,445</b>

Following the impact of earmarked balances, the account shows an overall surplus for the year of £0.459m (see page 80). In line with the prudential reserves policy (2% of expenditure), the target reserves level for the Housing Revenue Account for 2017/18 is £0.850m. Taking account of the in-year surplus (£0.459m) the brought forward balance from the previous year £6.963m and taking account of earmarked amounts (£6.572m) the balance available to the HRA for future use is £0.850m, with total reserves held of £7.422m. The HRA's budgetary performance for the year is summarised in the following table. The table also highlights how the in-year surplus affects the overall reserves balance held for future use.

	Budget £000	Spend Against Budget £000	Variance £000	£000
Total HRA Reserves Held as at 31/3/17				(6,963)
Earmarked Balances as at 31/3/17				6,117
Unearmarked balance as at 31/3/17				(846)
Total Expenditure	42,514	41,633	(881)	
Total Income	(42,514)	(42,092)	422	
Net Budgetary Control Position			(459)	
Net transfer to earmarked balances			455	
<b>Movement in Reserves from 1/04/17 to 31/03/18</b>				<b>(4)</b>
<b>Unearmarked Balances held as at 31/3/18</b>				<b>(850)</b>
<b>Earmarked Balances held as at 31/3/18</b>				<b>(6,572)</b>
<b>Total HRA Reserves Held as at 31/3/18</b>				<b>(7,422)</b>

## Management Commentary (Cont'd)

### 3. Overview of Core Financial Statements (Cont'd)

#### Reserves

As at 31 March 2018, the usable reserves currently held by the Council are noted below, with further information on the future use of such reserves detailed within notes 28 and 29 on pages 74 and 75.

	<b>General Services £000</b>	<b>HRA £000</b>	<b>Total £000</b>
Unearmarked Reserve	4,342	850	<b>5,192</b>
Earmarked Reserve	6,671	6,572	<b>13,243</b>
<b>Total Revenue Reserve</b>	<b>11,013</b>	<b>7,422</b>	<b>18,435</b>
Capital Receipts Reserve	0	0	<b>0</b>
Capital Grants Unapplied	314	0	<b>314</b>
Capital Reserve	3,269	0	<b>3,269</b>
Other Reserves	478	0	<b>478</b>
<b>Total Usable Reserves</b>	<b>15,074</b>	<b>7,422</b>	<b>22,496</b>
Prudential Target	4,122	850	

#### Provisions

The Council has two provisions held on its Balance Sheet, with a total value of £0.470m (see Note 27 on page 74).

#### Cash Flow Statement

The Council's cash flow statement shows an increase of cash and cash equivalents of £13.022m during 2017/18 (see page 33) mainly as a result of borrowing for capital spend on non-current assets.

#### Trading Operations

The Council maintains separate accounts for two statutory trading operations under the provisions of the Local Government Scotland Act 2003:

1. Housing Property Maintenance; and
2. Grounds Maintenance and Street Cleaning.

These two operations returned a total collective surplus of £2.759m. Both operations have achieved a break even performance over the last three years, consistent with their statutory requirements. Further details are provided in note 6 on page 42.

#### Balance Sheet

The Balance Sheet on page 32 shows that during 2017/18, the net assets have increased by £167.799m (from £135.025m to £302.824m). The main movement is due to the decrease in the pension liability of £169.633m which is explained further below. There has also been movement within non-current assets and borrowing, in line with the spend and funding agreed within the capital plan.

#### Pension Assets and Liabilities

The balance sheet shown on page 32 shows an assessed pension fund liability of £71.293m based on a snapshot valuation of the fund at 31 March 2018. Further information on the pension fund is provided in note 12 on pages 48 to 51. The valuation states that assets held at the valuation date were sufficient to cover 91.47% of accrued liabilities (75.63% in 2016/17).

The pension scheme liability has decreased by £169.633m as advised by the appointed actuaries, and this is mainly as a result of the movement in the discount rate. The appointed actuaries remain of the view that the asset holdings of Strathclyde Pension Scheme and the contributions from employees and employers together with planned recent increases in employers' contributions provide sufficient security and future income to meet future pension liabilities.



## Management Commentary (Cont'd)

### 3. Overview of Core Financial Statements (Cont'd)

#### **Non-Current Assets**

The Council owns a number of different types of assets, as listed in the Balance Sheet. These assets are used for ongoing and future service delivery provided by the Council to its citizens. The remit for the Council's Strategic Asset Management Group is to ensure the most efficient use of these assets in pursuit of the Council's strategic priorities. The Group manages this through ongoing review of the overarching Strategic Asset Management Plan, which is then supported by a number of individual Asset Management Plans (including properties, infrastructure, vehicles and equipment, etc.).

The overarching Strategic Asset Management Plan was refreshed during 2017/18 and underlying individual plans have either been refreshed in 2017/18 or will be during 2018/19.

The Council requires to assess the value of assets held based on current market conditions and, while in the current year particular assets have increased in value by £21.499m. At the same time, impairment and downward revaluations have reduced the value of other assets held by the Council by £24.165m, resulting in a net reduction in value of £2.666m. These movements adjust either the revaluation reserve in the Balance Sheet or are included within the Net Cost of Service within the Income and Expenditure Statement, depending on the history of the asset.

#### **Borrowing**

The Council's Treasury Strategy for 2017/18 was agreed by the Council on 22 February 2017. The Council raised new long term loans of £45.000m (2016/17 £20.000m) and short term loans of £153.200m (2016/17 £124.709m) and repaid naturally maturing debt of £152.432m (2016/17 £87.144m). The total outstanding long term debt (excluding PPP debt) as at 31 March 2018 was £260.000m (2016/17 £228.095m) including £119.344m (2016/17 £117.252m) for the Council's housing stock. The total outstanding short term debt was £169.621m (2016/17 £155.400m), including £77.859m (2016/17 £79.883m) for the housing stock. The interest and expenses rate charged by the Council's loans fund was 3.07% (3.62% in 2016/17).

The 10 year capital plan and the Council's Treasury Management Strategy 2017/18 were agreed by Council on 22 February 2017. These agreed plans highlight the projected capital spend and it's required resourcing. Also detailed is the impact on the Council's ongoing revenue finance and borrowing levels which the Council has committed to, through its Capital Plans. The Council's revenue budget is agreed following the consideration and approval of the Capital Plan.

#### **Capital Finance**

The Council is able to regulate its own capital spending limits within the framework recommended by the Chartered Institute of Public Finance and Accountancy and endorsed by the Scottish Government. The necessary treasury indicators and safeguards have been approved by Council and have resulted in increases to both the General Services and Housing capital programmes for 2017/18 and beyond. Details of the capital expenditure and financing are shown in note 19 on page 63. Total gross capital expenditure amounted to £66.431m.

The main capital projects progressed during 2017/18 were:

##### **General Services**

Building upgrades  
ICT modernisation  
Replacement of elderly care homes  
Queens Quay  
Roads infrastructure works  
Office rationalisation  
New build school projects  
Regeneration/Local economic development  
Children and young persons/ early years

##### **HRA**

New build council houses  
Demolitions  
Void housing upgrades  
EESH compliance work  
Heating improvements  
Building external component renewals  
Doors/window component renewals  
Environmental improvement works

## Management Commentary (Cont'd)

### 3. Overview of Core Financial Statements (Cont'd)

During 2017/18, the Council had budgeted capital expenditure of £125.715m with an actual in year spend of £66.431m. The unspent amount (£59.284m) includes overspends, underspends and slippage, as noted within the table below. The total slippage on planned spend was £59.963m – 47.7% of the overall capital programme which is summarised in the following table:

	Original Budget £000	Actual Spend £000	Overspend £000	Underspend £000	Slippage £000
<b>Service</b>					
Corporate Services	2,094	1,320	116	(107)	(783)
Education	21,021	13,119	340	(291)	(7,951)
Infrastructure, Regeneration and Development	59,018	26,246	1,679	(2,364)	(32,087)
Housing and Communities	1,509	544	0	(70)	(895)
Miscellaneous Services	2,682	2,927	377	(132)	0
Health and Social Care Partnership	7,643	1,042	633	(622)	(6,612)
<b>General Services</b>	<b>93,967</b>	<b>45,198</b>	<b>3,145</b>	<b>(3,586)</b>	<b>(48,328)</b>
HRA	31,748	21,233	1,258	(138)	(11,635)
<b>Total</b>	<b>125,715</b>	<b>66,431</b>	<b>4,403</b>	<b>(3,724)</b>	<b>(59,963)</b>

The majority of the slippage has occurred within a small number of larger capital projects and is mainly due to the timing of starting individual projects, for various reasons, not all within Council control, and these projects have now fallen into capital budgets for 2018/19 and those with more significant slippage include:

#### General Services

Clydebank Community Sports Hub	Project was delayed pending confirmation of external funding.
Queens Quay Regeneration	Delays resulting from complex design solutions.
New Build School Projects	Delays due to discovery of asbestos and weather.
Levensgrove Park	Delay due to issuing of the Pre-Qualification Questionnaire and in the issuing of the Invitation To Tender.
Posties Park Sports Hub	External approval process has resulted in the delay to programme.
Dalmonach CE Centre	Resourcing issues required a reallocation of priorities

#### HRA

New house build	Longer than anticipated time for site clearances and re-housing tenants
Regeneration/demolition of surplus stock	Cost of demolitions were lower than budgeted so the balance of budget has been carried forward to create a budget for demolition of Clydebank East properties.
Non-traditional Improvement works	Delay due to finalisation of scope of works and obtaining owner agreement.
EESH compliance work	Building services experienced problems in recruitment to support this project.

## **Management Commentary (Cont'd)**

### **3. Overview of Core Financial Statements (Cont'd)**

#### **Public Private Partnership and other Long Term Liabilities**

The Council entered into a public private partnership for the provision of three new community learning centres and a primary school. The agreement provides the Council with replacement buildings for three secondary schools which were handed over in 2009/10 with the primary school handed over during 2011/12. In accordance with statutory accounting guidance, full details of the agreement is provided within note 21 on pages 64 to 65.

On 31 March 2016, the Council entered into a 25 year 'Design, Build, Finance and Maintain' (DBFM) arrangement with the Scottish Government via the Scottish Futures Trust, for the provision of a further new secondary school. The school was handed over for use by the Council on during 2017/18.

#### **Group Accounts**

Local authorities are required to prepare group accounts in addition to their own Financial Statements where they have material interest in other organisations. The group accounts on pages 88 to 93 consolidate the Council's Financial Statements, the Common Good and Trust Funds and six other entities (including two subsidiaries – West Dunbartonshire Leisure Trust and Clydebank Property Company). The effect of combining these entities on the Group Balances Sheet is to increase reserves and net assets by £25.931m creating an overall net asset of £328.755m. This includes the combined pension liability of these organisations similar to that of the Council. However, as there is no reason to suggest the future funding to these organisations will not continue, the accounts have been prepared on a going concern basis.

### **4. The Financial Outlook, Key Risks and the Future**

In setting the budget for 2017/18, the Council faced a number of significant financial pressures resulting from reducing central government funding, inflationary and service demand increases and the ongoing impact of the economic position and welfare reform.

The Council's Financial Strategy published in October 2017 highlights that the pressure on public finances is expected to continue for the next 5 years. Local Government is not one of the Scottish Government's "protected" spend areas within the Scottish Government financial settlements, which means it is likely that ongoing real terms funding reductions will be experienced.

At the same time demand for services is expected to continue to increase driven by demographic change and policy pressures. The Scottish Government settlement for 2018/19 was a further one year settlement though the settlement was better than had been anticipated, particularly as a result of additional funds allocated by the Scottish Government in getting the budget through Parliament. It is not clear, due to single year settlement and lack of clarity around the nature of the 2018/19 settlement how the 2018/19 settlement will translate into 2019/20 onwards.

The Council has agreed a Long Term Financial Strategy which is reviewed annually and provides some detailed analysis of issues for the next three financial years and some potential higher level issues and risks over the next 10 years. The financial strategy aims to allow the Council to plan ahead and take appropriate action to maintain budgets within expected levels of funding.

The Council refreshed the Long Term Financial Strategy in October 2017 and in setting the Council budget for 2018/19 in March 2018. Following the setting of the budget in February 2018, the projections have identified current expected gaps of £7.646m in 2019/20 and a further £6.160m for 2020/21. The strategy will be reviewed by Council later in 2018 and in setting the budget for 2019/20.

At the Council meeting on 5 March 2018, the General Fund and HRA capital plans were updated and the HRA budget for 2018/19 was set. The capital plans approved included funding for a number of projects over the next three years and the revenue impact of these investments will be built into future revenue plans.

## **Management Commentary (Cont'd)**

### **4. The Financial Outlook, Key Risks and the Future**

#### **Management of Risk**

The main financial risks identified by the Council over the medium and long term are highlighted within the Council's Long Term Financial Strategy and includes:

- the unknown position from the national government on funding for future years particularly given the projected decline in Council population and the likelihood of continued austerity measures;
- the impact on the welfare reform agenda (introducing changes to the welfare benefits systems);
- changing demands and needs for Council services (particularly in relation older people); and
- Council also plans major investment in a number of significant capital projects which will change the way in which some services are delivered and are partially funded through projected revenue savings – there is a risk that expected savings are not as expected.

The Annual Governance Statement, shown on pages 16 to 21, details the arrangements the Council has put in place for the proper governance of the Council's affairs and for the management of risk. This Statement explains the system of internal control in place and sets out improvements actions to the governance framework identified from the Council's ongoing review of these arrangements.

Risks are identified with actions to minimize and/or mitigate those risks (where possible) through the Council's performance monitoring system (pentana), which is reported to Members on a regular basis. The Scottish Government changed Council Tax rules for higher banded houses from 2017/18 and there is potential for further reform of local government funding and organisation over the next few years.

#### **The Future**

In recognition of the projected ongoing financial position, the Council continues to identify service redesign and business transformation options and these will be reported to appropriate Committees during 2018/19. Significant cost reductions have been generated through planned actions to generate savings and more efficient ways of working. A number of major projects have been underway during 2017/18 as follows:

- **Glasgow City Region City Deal** – the Council, together with a number of other Scottish local authorities, is participating in the Glasgow Region City Deal which will see over £1.1 billion invested in the area. The City Deal consists of a number of significant capital projects across the area together with employability projects – in order to generate economic regeneration and additional jobs. The project within the City Deal specific to the Council is an infrastructure project at the Exxon site at Bowling to regenerate that site and to create a relief road along the A82 at Milton. The project development is progressing with the outline business case approved during 2016/17 and the final business case due for consideration by 2019;
- **Development of Queens Quay and District Heating** – the Council, in partnership with the private sector, are funding the redevelopment of Queens Quay in Clydebank – bringing a significant former industrial site back into use. This project will be home to a new Council-run care home for older people; a new medical centre run by the Greater Glasgow Health Board; around 1,000 new homes; and new commercial provision. This longer term project should support the economic development of Clydebank and is expected to generate net in-migration to West Dunbartonshire. In 2016/17 Council and the Scottish Government approved the development of an innovative district heating system on this site to provide heat to all of the existing and new provision within Queens Quay and beyond;

## **Management Commentary (Cont'd)**

### **4. The Financial Outlook, Key Risks and the Future (Cont'd)**

- **Strategic Programmes** – in setting the budgets for 2015/16 and 2016/17 Council approved a range of projects to generate efficiencies. Some of these are capital funded projects where funding has been approved by Council. Significant projects include: Office Rationalisation; Care Home re-provision; shared services; new Clydebank Leisure Centre, amongst others. Many of these projects are complete or near completion and Senior management monitors progress on agreed efficiency projects through the Change Board and budgetary control reports provide updates on progress to Members. Where appropriate, business cases will be developed, and where required reports will come to future Council and Committees for consideration; and
- **Council's More Homes Strategy** – plans have been approved for the Council to deliver over 1,000 new affordable homes within the area over the period to 2021. This strategy is expected to produce net in-migration and regeneration, as well as provide modern affordable housing.

### **5. Other Information**

#### **Asset Management**

The Council has a significant investment embedded in assets, comprising offices, schools, vehicles, houses, ICT infrastructure and equipment, etc. and it is important that these are managed in an efficient and effective manner. The Council has an overarching Asset Management Strategy which was refreshed in 2017 and underlying specific asset management plans for the main asset categories and these have all been refreshed over the last year or so. In addition an asset disposal strategy is in place to maximize the benefit from assets that the Council no longer requires and this strategy is important in generating capital receipts to support elements of the capital plan.

#### **Best Value Assurance Report**

During 2017/18 the Council was audited under the revised Best Value audit approach, where the auditors reviewed the Council's approach to strategic planning, financial planning, workforce planning, partnership working, performance reporting and continuous improvement. The report by the Auditor General was published on 7 June 2018 and was positive and showed that the Council had made significant progress since the previous Best Value report in 2006 and follow-up reports to 2010.

#### **Carbon Emissions and Energy Consumption**

The Council takes its responsibilities with regard to reducing the effects of climate change seriously. This is most visibly demonstrated in the drafting of its second Carbon Management Plan. The Council has set a target to reduce carbon emissions, the largest contributor to climate change, from its operations by just over 15% (from a 2012/13 baseline) by 2019/20.

#### **Equality and Diversity**

The Council is firmly committed to the principle of equality of opportunity. The Council recognises its responsibility as a community leader, service provider and employer to encourage the fair treatment of all individuals and to tackle social exclusion. The Council is also committed to eradicate all forms of discrimination, direct or indirect and aims to eliminate discriminatory practices and promote measures to combat its effects. Information on the Council's Equality Outcomes and mainstreaming report can be found on the Council website at:

<http://www.west-dunbarton.gov.uk/media/4312511/equalities-outcome-report-2017-2021.pdf>

#### **Consultation and Communication with Workforce**

The Council is an accredited Living Wage Employer and has in place employee governance arrangements to ensure its employees are well informed, involved in decisions, appropriately trained, treated fairly and consistently and provided with a safe environment. The Council carries out periodic employee surveys, the last one being undertaken in 2015, and seeks the views of the workforce through regular consultations with staff and trade unions.

## Management Commentary (Cont'd)

### 5. Other Information (Cont'd)

#### Remuneration Report

This report presents information on the remuneration of senior elected members and senior officers within the Council (pages 22 to 29).

#### Financial Performance Indicators

This commentary includes information on a set of financial performance indicators. These are aimed at providing the reader with a summary of key information.

2016/17 Outturn			2017/18 Target	2017/18 Outturn
	<b>Housing Performance</b>			
£0.063m	Total rent owed by tenants leaving their tenancies with arrears	Demonstrates the Council's effectiveness in collecting local housing rents	n/a	£0.092m
£312.67	Average rent owed by tenants leaving their tenancies with arrears	Demonstrates the Council's effectiveness in collecting local housing rents	n/a	£394.06
10.33%	Percentage of current tenants owing more than 13 weeks rent, excluding those owing less than £250	Demonstrates the Council's effectiveness in collecting local housing rents	n/a	9.50%
1,025	number of current tenants owing more than 13 weeks rent, excluding those owing less than £250	Demonstrates the Council's effectiveness in collecting local housing rents	n/a	937
7.87%	Current / former / total tenant arrears as a percentage of net rent due in year	Demonstrates the Council's effectiveness in collecting local housing rents	8.14%	8.85%
£3.056m	Amount of current/ former/ total tenant rent arrears	Demonstrates the Council's effectiveness in collecting local housing rents	n/a	£3.468m
100%	Value of free reserves expressed as a percentage of the prudential reserve target	Demonstrates how much free reserves the HRA has, in comparison to the agreed minimum	n/a	100%
2.00%	Value of free reserves expressed as a percentage of the net annual budget	Demonstrates the percentage of budget covered by free reserves (2% minimum target)	2.00%	2.00%
(£0.016m)	Movement in the free reserve balance	Demonstrates variances contributing to the overall free reserve position	n/a	(£0.004m)
98.16%	Revenue budget compared to actual outturn at year end	Demonstrates actual spend as a percentage of the planned budget (less than 100% indicates an underspend)	n/a	97.93%
	<b>General Services Performance</b>			
£10.25	Cost of collecting council tax (per dwelling)	Demonstrates the Council's effectiveness in collecting local taxation	£10.10	£8.17
14.68%	Council tax as a percentage of overall funding	Demonstrates the amount of budget raised through council tax	n/a	15.34%
95.21%	In-year council tax collection rate	Demonstrates the Council's effectiveness in collecting local taxation	95.40%	95.41%
£30.653m	Amount of income due from council tax for the year that was received	Demonstrates the Council's effectiveness in collecting local taxation	n/a	£31.985m
123%	Value of free reserves expressed as a percentage of the prudential reserve target	Demonstrates how much free reserves the GS has, in comparison to the agreed minimum	100%	105%
2.36%	Value of free reserves expressed as a percentage of the net annual budget	Demonstrates the percentage of budget covered by free reserves (2% minimum target)	2%	2.04%
£0.375m	Movement in the free reserve balance	Demonstrates variances contributing to the overall free reserve position	n/a	(£0.721m)
99.83%	Revenue budget compared to actual outturn at year end - including top up of provisions	Demonstrates actual spend as a percentage of the planned budget (less than 100% indicates an underspend)	n/a	99.82%
	<b>Prudence And Affordability – Capital</b>			
5.06%	Ratio of financing costs to net revenue stream – General Services	Demonstrates how much of the General Fund revenue budget is used to support previous capital investment	5.36%	5.34%
31.52%	Ratio of financing costs to net revenue stream – HRA	Demonstrates how much of the HRA revenue budget is used to support previous capital investment	28.69%	27.54%
£464.275m	Capital Financing Requirement	The amount of planned capital expenditure not yet funded	£534.821m	£514.349m
£379.523m	External Debt Levels (excluding PPP)	The amount of external debt held by the Council. Increases due to funding of the capital programme	£447.955m	£425.291m

## **Management Commentary (Cont'd)**

### **6. Where to find more information**

**In This Publication** - An explanation of the Financial Statements which follow and their purpose are shown at the top of each page. The accounting policies and a glossary of terms can be found at the end of this publication and these provide an explanation of the main guidelines and terms used.

**On Our Website** - Further information about the Council can be obtained on the Council's website ([www.west-dunbarton.gov.uk](http://www.west-dunbarton.gov.uk)) or from Finance Services, 16 Church Street, Dumbarton, G82 1QL.

### **Conclusion**

The financial results show the Council's finances in a fairly healthy position and, considering the ongoing significant financial pressures being faced by the Council, we have successfully managed our affairs within the budget set and the financial objectives prescribed. This is a satisfactory outcome and reflects well on both the efforts and professionalism of management, budget holders and on the Council's financial management and monitoring procedures.

### **Acknowledgement**

The production of the Annual Financial Statements is very much a team effort and I wish to record our thanks to both Finance staff and to colleagues in all services whose efforts have contributed to the completion of these Statements of Accounts.

Councillor Jonathan McColl  
Leader of the Council  
Date: 27 June 2018

Joyce White  
Chief Executive  
Date: 27 June 2018

Stephen West  
Strategic Lead - Resources  
Date: 27 June 2018

## **Statement of Responsibilities**

### **The Authority's Responsibilities:**

The Authority is required:

- to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this authority, that officer is the Strategic Lead – Resources (formerly known as the Head of Finance and Resources);
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- to ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014) and so far as is compatible with legislation, in accordance with proper accounting practices (Section 12 of the Local Government in Scotland Act 2003); and
- to approve the Annual Accounts for signature.

I confirm that these Annual Accounts were approved for signature by the Council at its meeting on 27 June 2018.

Signed on behalf of West Dunbartonshire Council

Councillor Jonathan McColl  
Leader of the Council  
Date: 27 June 2018

### **The Strategic Lead - Resources Responsibilities:**

The Strategic Lead - Resources is responsible for the preparation of the Authority's Annual Accounts in accordance with proper practices as required by legislation and as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts, the Strategic Lead - Resources has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with legislation; and
- complied with the local authority Accounting Code (in so far as it is compatible with legislation).

The Strategic Lead - Resources has also:

- kept adequate accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the Financial Statements give a true and fair view of the financial position of the local authority (and its group) at the reporting date and the transactions of the local authority (and its group) for the year ended 31 March 2018.

Stephen West  
Strategic Lead - Resources  
Date: 27 June 2018



## Annual Governance Statement

The Annual Governance Statement is included within the Financial Statements to assure stakeholders on how the Council directs and controls its functions and how it relates to communities which will enhance transparency and scrutiny of the Council's activities.

### Scope of Responsibility

West Dunbartonshire Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. It also has a statutory duty to make arrangements to secure best value under the Local Government in Scotland Act 2003.

In discharging this overall responsibility, the Council's Members and Corporate Management Team (CMT) is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk. The Council has established an arms-length external organisation: West Dunbartonshire Leisure Trust – to deliver leisure services more effectively on the Council's behalf, which reports regularly to Elected Members. From 1 July 2015 the West Dunbartonshire Health and Social Care Partnership was established to continue the development of the integration of social care and health services between the Council and NHS Greater Glasgow and Clyde.

The Council has recently approved and adopted a revised Local Code of Corporate Governance ("the Local Code"), which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) Framework: "*Delivering Good Governance in Local Government*". The Local Code evidences the Council's commitment to achieving good governance and demonstrates how it complies with the governance standards recommended by CIPFA. A copy of this Code is available from the Council website at:

<http://www.west-dunbarton.gov.uk/media/4312582/wdc-local-code.pdf>

This statement explains how the Council expects to comply with the Local Code and also meets the Code of Practice on Local Authority Accounting in the UK, which details the requirements for the Annual Governance Statement.

### The Purpose of the Governance Framework

The governance framework comprises: the systems and processes; and culture and values - by which the Council is directed and controlled and through which it accounts to, engages with communities. It enables the Council to monitor the achievement of the strategic objectives set out in the Strategic Plan. It enables the Council to consider whether those objectives have led to the delivery of appropriate and value for money services.

The Council has put in place a system of internal financial control designed to manage risk to a reasonable level. Internal controls cannot eliminate risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal financial control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at the Council for the year ended 31 March 2018 and up to the date of the approval of the Statement of Accounts.

### The Governance Framework

The main features of our governance arrangements are described in the Local Code but are summarised below:

- the overarching strategic vision and objectives of the Council are detailed in the Strategic Plan 2017/22, which sets out the key priorities of the Council and key outcomes the Council is committed to delivering with its partners, as set out in the Local Outcome Improvement Plan;

## **Annual Governance Statement (Cont'd)**

### **The Governance Framework (cont'd)**

- Services are able to demonstrate how their own activities link to the Council's vision and priorities through their Delivery Plans. Performance management and monitoring of service delivery is reported through service committees regularly. The CMT monitors performance information regularly. The Council regularly publishes information about its performance;
- The West Dunbartonshire Community Alliance, which supports Community Planning West Dunbartonshire, represents the views of community organisations, communities of interest and geographical communities. In addition the Council has an Engaging Communities Framework in place which sets out our approach to engaging with citizens, community organisations and stakeholders. Consultation on the future vision and activities of the partnership is undertaken in a range of ways, including seeking the views of the Alliance and through specific service consultations and the Council actively engages with its partners through community planning arrangements;
- The Council has adopted a Code of Conduct and associated employment policies for its employees. Elected members adhere to the nationally prescribed Code of Conduct for Members in a localised format. In addition, the Council has in place a protocol on member/ officer relations and in inter-party protocol;
- The Council operates within an established procedural framework which incorporates a scheme of delegation, standing orders and financial regulations. These describe the roles and responsibilities of Elected Members and officers and are subject to regular review. The Council facilitates policy and decision making through the agreed Committee structure;
- Responsibility for maintaining and operating an effective system of internal financial control rests with the Council's Chief Financial Officer as Section 95 Officer. The system of internal financial control is based on a framework of regular management information, the Financial Regulations, administrative procedures (including separation of duties), management and supervision, and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within the Council;
- The Council's approach to risk management is set out in the risk management framework. A strategic risk register is in place and an update report on this is regularly submitted to the Corporate Services Committee. The approach is embedded within the Council's strategic planning and performance management framework with regular reporting of risk management reported to service committees; and
- Comprehensive arrangements are in place to ensure members and officers are supported by appropriate training and development.

### **Review of Effectiveness**

The Council has a responsibility, at least annually, a review of effectiveness of its governance framework including the system of internal financial control. The review of effectiveness of the framework is informed by the work of the Corporate Management Team which has responsibility for the development, implementation and maintenance of the governance environment, the Chief Internal Auditor's annual report; and reports from the external auditors and other review agencies and inspectorates.

The Council's revised Code of Good Governance was approved at the Audit & Performance Review Committee on 8 March 2017. An assessment of the Council's compliance with the Code of Good Governance was undertaken by a group of senior officers and the outcome of this assessment was reported to the Audit Committee on 13 June 2018.

Members and officers of the Council are committed to the concept of sound governance and the effective delivery of Council services. Each member of the Council's Corporate Management Team presents an annual statement of assurance on the adequacy and effectiveness of control (including financial control), governance and risk management arrangements within their service area, which are considered by the Strategic Directors who provide a composite assurance statement for their Directorate areas.

The Audit Committee performs a scrutiny role in relation to the application of the Code of Good Governance and regularly monitors the performance of the Council's Internal Audit service.

## Annual Governance Statement (Cont'd)

### Review of Effectiveness (cont'd)

In relation to the effectiveness of governance arrangements and systems of internal control for the Council's group entities, the Council places reliance upon the individual bodies' management assurances in relation to the soundness of their systems of internal control.

The Internal Audit service operates in accordance with the Public Sector Internal Audit Standards (PSIAS) 2017, and reports to the Audit Committee. An annual programme of work is determined and undertaken by Internal Audit, approved by the Audit Committee, based upon an established risk based methodology. The Audit & Risk Manager provides an independent opinion on the adequacy and effectiveness of the Council's System of Internal Financial Control. The Audit Committee performs a scrutiny role in relation to the application of PSIAS and regularly monitors the performance of the Internal Audit service. The Council's Audit & Risk Manager (the Council's Chief Internal Auditor) has responsibility for reviewing independently and reporting to the Audit Committee annually, to provide assurance on the adequacy and effectiveness of the code and the extent of compliance with it.

It is our view that the Council has in place a sound system of internal financial control and that appropriate mechanisms are in place to identify areas of weakness. This is corroborated by an annual assurance statement prepared by the Audit & Risk Manager stating that reasonable assurance can be placed upon the adequacy and effectiveness of the Council's internal control systems.

The system of governance (including the system of internal control) can provide only reasonable and not absolute assurance that the assets are safeguarded, the transactions are authorised and properly recorded, that material errors or irregularities are either prevented or would be detected within a timely period and that significant risks impacting on the achievement of the Council's objectives have been mitigated. The following main issues and areas for improvement have been identified through the annual assurance statements received from either Strategic Directors or Strategic Leads:

Improvement Area	Responsible Officer	Implementation Date
Develop Fraud Risk Assessment process	Audit and Risk Manager	31 December 2018
Create Fraud Integrity Group	Audit and Risk Manager	31 December 2018
Continue to ensure Public Service Network compliance and monitor ICT security whilst reducing manual effort involved	Manager of ICT	Ongoing
Implement the Contract and Supplier Management Policy	Procurement Manager	31 March 2019
Review Officers' Scheme of Delegation	Strategic Lead - Resources	31 December 2018
Develop training and awareness for the General Data Protection Regulation	Manager of Legal Services	31 August 2018
Further develop the Workforce Management System	Business Support Manager	31 March 2019
Continue to deliver against the Council's Employee Wellbeing Strategy	Strategic HR Manager	31 March 2019
Continue to embed a culture of strong safety conscious management	Section Head – Risk and Health & Safety	31 March 2019
Implement the School Governance and Regional Collaborative Improvement Structures	Strategic Lead – Education, Learning & Attainment	31 March 2019

## Annual Governance Statement (Cont'd)

### Review of Effectiveness (cont'd)

Improvement Area	Responsible Officer	Implementation Date
Implement revised processes for prevention of arrears and early intervention for those struggling with their rental payments	Strategic Lead – Resources; Strategic Lead – Housing & Employability	31 March 2019
Review and implement organisational scheme for information management	Manager of Legal Services	31 March 2019
Within Social Care, develop robust commissioning and procurement arrangements with external providers across a range of services	West Dunbartonshire Health and Social Care Partnership (HSCP) – Heads of Service	31 March 2019
Develop plans in response to the ageing population	Head of Health and Community Care	31 March 2019

All of the above areas for improvement have been included within improvement plans to be lead and managed by appropriate Strategic Leads which have been approved by relevant Service Committees in March and May 2018.

The Council continues to recognise the need to exercise strong management arrangements to manage financial pressures common to all Local Authorities and the Chief Finance Officer will continue to provide regular updates to Council on this subject, including a revised long-term finance strategy.

As stated above a self-evaluation review of the Council's revised Code of Good Governance has identified that current practice within the Council is mainly compliant although there are some areas for improvement including the following main themes and the report to the Audit Committee provides more detail on these, see link:

<http://wdccmis.west-dunbarton.gov.uk/cm5/Meetings/tabid/73/ctl/ViewMeetingPublic/mid/410/Meeting/8127/Committee/527/Default.aspx>

- Review of Audit Committee;
- Partnership risk management;
- Procurement;
- Information Governance; and
- Budgeting and planning.

### Health and Social Care Integration

The Council, as the funder of the Social Care services within the West Dunbartonshire Health and Social Care Partnership (HSCP) has an interest in the governance arrangements within the HSCP. Internal Audit arrangements for the HSCP is provided jointly by the Council's Internal Audit service and the Health Board's Internal Audit Service, with the Council's Internal Audit service providing audit arrangements for social care services and the general oversight of the IJB's governance arrangements. The HSCP has arrangements in place to review its own ongoing compliance with the revised Code of Governance. Due to the Council's role as social care service provider Internal Audit's process outcomes on such services are reported to the Council's Audit Committee as well as that of the HSCP. The Chief Social Worker provides Council with an annual report on the performance of the HSCP.

The financial arrangements for the Council's funding to the HSCP are aligned and budget processes run parallel to ensure that appropriate budgets for the HSCP are aligned with Council policy and

## **Annual Governance Statement (Cont'd)**

### **Health and Social Care Integration (cont'd)**

budgeting approaches, particularly in relation to ensuring any efficiency targets for the HSCP funding from the Council are planned for and appropriate efficiencies are approved by the HSCP. On an ongoing basis Council continues to receive budgetary control information in relation to HSCP services funded by the Council.

### **External Inspection of the Council**

The Council welcomes the approach taken by external inspection agencies, through the Local Area Network to develop a comprehensive annual Local Scrutiny Plan (LSP) which is proportionate and based upon risks identified. The 2017/18 LSP identified a number of areas of risk which the Council has been working on over the last year. A recently published update to the LSP, covering 2018/19, was reported to Council on 31 May 2018 and notes that the Council continues to demonstrate a strong commitment to best value and has strong leadership, a clear vision and a focus on continuous improvement. The LAN did not identify any specific areas from the risk assessment where specific scrutiny was required, other than scrutiny that was nationally directed or part of a planned programme of work. The LAN members followed up on some areas that were identified in the 2017/18 LSP for ongoing oversight and monitoring which are detailed below:

- Housing & Homelessness;
- Staff Absence levels;
- Financial sustainability; and
- Shared Services.

Strategic Leads have identified, through their service planning processes, actions to deliver on these four areas and the strategic / high level elements of these have been brought together in an action plan which will be separately monitored with quarterly progress reports to the Audit Committee. We are satisfied that these steps address the need for improvements and we will monitor their implementation and operation as part of our next annual review.

### **Best Value Assurance Report**

Audit Scotland has reported a Best Value Assurance Report on West Dunbartonshire Council to the Accounts Commission on 7 June 2018. The key messages from this report are:

- Since the last Best Value report in 2007, the council has made significant improvements in how it works. The council now demonstrates a focus on delivering Best Value and the auditors found evidence of continuous improvement in services;
- Since 2007, changes to the senior officer team, including the appointment of the current Chief Executive in 2011, have played a key role in the improvements the council has made. Officers and councillors from all parties work well together for the benefit of the residents of West Dunbartonshire;
- Overall, service performance is improving and most residents who have provided feedback to the council are satisfied. The council maintains a steady pace of change that has led to improved outcomes in its priority areas including housing services and educational attainment amongst schoolchildren;
- The council's latest Strategic Plan 2017-2022 lays out a focused and ambitious vision for the period, which reflects the needs of its community. There is evidence to demonstrate that the views of the community influenced council budget-setting and decision-making. The Strategic Plan is clearly aligned to the Community Planning Partnership's strategic priorities;
- The Strategic Improvement Framework provides a structured and practical approach to help council services to continue to improve. The council has demonstrated a commitment to delivering services differently in West Dunbartonshire and is working well with partners to achieve this;
- The council has a good record of delivering services within budget. It has developed both medium and long-term financial plans. However, it has a projected funding gap of £13.8 million for the three years to 31 March 2021, which will be a challenge to make up. Service reform needs to continue;

## Annual Governance Statement (Cont'd)

### Best Value Assurance Report (cont'd)

- In recent years, the council has significantly expanded its capital budget, which pays for projects such as buildings and roads. But there is a trend of significant slippage in the capital programme, which means that a number of projects are being finished late. The council now needs to strengthen project planning and management;
- The council has a detailed organisation-wide, five-year workforce plan and individual service-specific workforce plans; and
- The 2007 Best Value report highlighted that scrutiny in the council needed to improve. There is evidence of significant improvement in this area, with members working together and demonstrating stronger scrutiny.

The Best Value Assurance Report contains five recommendations relating to:

- Reviewing project management processes;
- Further development of workforce plans;
- Staff absence levels;
- Further developing the role of the community alliance; and
- Cross-party working amongst Councillors to address the financial challenges which exist and the important decisions required in the future.

Progress on the implementation of these actions will be reported to Members on an ongoing basis.

### Compliance with Best Practice

#### Statement on the role of the Chief Financial Officer in local government

The Council complies with the requirements of the CIPFA Statement on "*The Role of the Chief Financial Officer in Local Government 2010*". The Council's Chief Financial Officer (Section 95 Officer) has overall responsibility for the Council's financial arrangements, and is professionally qualified and suitably experienced to lead the Council's finance function and to direct finance staff.

#### Statement on the role of the Head of Internal Audit in Public Service Organisations

The Council complies with the requirements of the CIPFA Statement on "*The Role of the Head of Internal Audit in Public Service Organisations 2010*". The Council's Chief Internal Auditor has responsibility for the Council's Internal Audit function and is professionally qualified and suitably experienced to lead and direct the Council's Internal Audit staff. The Internal Audit service generally operates in accordance with the CIPFA "Public Sector Internal Audit Standards 2017".

### Assurance

Subject to the above, and on the basis of the assurances provided, we consider the governance and internal control environment operating during 2017/18 provides reasonable and objective assurance that any significant risks impacting on the achievement of our principle objectives will be identified and actions taken to avoid or mitigate their impact. Systems are in place to continually review and improve the governance and internal control environment with plans in place to address improvement areas.

**Jonathan McColl**  
Leader of the Council

**Date: 27 June 2018**

**Joyce White**  
Chief Executive

**Date: 27 June 2018**

**Stephen West**  
Strategic Lead - Resources

**Date: 27 June 2018**

## Remuneration Report

### Introduction

The Council is required under statute to provide information on the remuneration of each senior elected member and senior officer and any other officer not otherwise included whose remuneration is over £0.150m per annum. All information disclosed in the tables 1-6 and section (b) of the Remuneration Report is due to be audited by Audit Scotland. The other Sections are reviewed by Audit Scotland to ensure that they are consistent with the Financial Statements.

#### **a) Remuneration - Councillors**

The remuneration of Councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2017 (SSI No. 2017/66). The Regulations provide for the grading of Councillors for the purposes of remuneration arrangements, as the Leader of the Council, the Civic Head (Provost), Senior Councillors and Councillors. The Leader of the Council and the Provost cannot be the same person for the purposes of payment of remuneration. A Senior Councillor is a Councillor who holds a significant position of responsibility in the Council's political management structure. The regulations stipulate that in addition to the Leader of the Council and the Provost, West Dunbartonshire can appoint a maximum of ten Senior Councillors. The level of remuneration paid to the Leader of the Council, Provost and Senior Councillors is detailed in Table 1.

The salary that is to be paid to the Leader of the Council is set out in the Regulations. For 2017/18 the salary for the Leader of West Dunbartonshire Council was £33,857. The Regulations also state that the maximum yearly amount that may be paid to the Provost (£25,392) is 75% of the total yearly amount payable to the Leader of the Council.

The Regulations also state the remuneration that may be paid to Senior Councillors and the total number of Senior Councillors the Council may have. The maximum yearly amount that may be paid to a Senior Councillor (£25,392) is 75% of the total yearly amount payable to the Leader of the Council. For 2017/18 the total yearly amount payable by the Council for remuneration of all of its Senior Councillors shall not exceed £211,600. The Council is able to exercise local flexibility in the determination of the precise number of Senior Councillors and their salary within these maximum limits. Council policy is to pay Senior Councillors a salary of £21,160, per the decision at Council on 17 May 2017 for 2017/18.

During 2017/18, the Council agreed the appointment of a Council Leader, Provost, Bailie and 10 Senior Councillors and the remuneration paid to the 10 Senior Councillors totalled £211,600 (£211,180 in 2016/17). The Regulations also permit the Council to pay contributions or other payments as required to the Local Government Pension Scheme in respect of those Councillors who elect to become Councillor members of the pension scheme. The pension entitlements for the year to 31 March 2018 are shown in Table 5 on page 28.

The Scheme of Members Allowances which encompasses the salaries of all elected members including the Leader, Provost, Bailie and Senior Councillors was agreed at a meeting of the full Council on 17 May 2017. The report to Council and the Register of Members' Expenses is available at:

<https://www.west-dunbarton.gov.uk/council/councillors-and-committees/>

## Remuneration Report (Cont'd)

### a) Remuneration – Councillors (Cont'd)

**Table 1: Remuneration of Senior Councillors**

Name	Position	Year ended 31 March 2018				2016/17
		Salary, Fees & Allowances	Taxable Expenses	Non-cash Expenses, Benefits-in-kind	Total Remuneration	Total Remuneration
		£	£	£	£	£
Jonathan McColl	Leader of Council (from 17/5/17) Convener of Community Planning West Dunbartonshire Management Board (from 17/5/17) Convener of Recruitment & Individual Performance Management Committee (from 17/5/17) Convener of Sub Committee on Scheme of Delegation (from 17/5/17)	32,114	0	0	32,114	21,118
William Hendrie	Provost (from 17/5/17)	20,623	0	0	20,623	16,893
Karen Conaghan	Depute Provost (from 17/5/17) Convener of Appeals Committee (from 17/5/17) Convener of Educational Services Committee (from 17/5/17)	19,045	0	0	19,045	0
Caroline McAllister	Depute Leader (from 17/5/17)	19,045	0	0	19,045	0
Martin Rooney	Leader of Opposition (from 17/5/17) Convener of Vale of Leven Fund Committee (from 17/5/17)	22,197	0	0	22,197	33,789
Denis Agnew	Bailie (from 17/5/17)	20,623	0	0	20,623	16,893
Jim Brown	Convener of Licensing Board (from 17/5/17)	21,017	0	0	21,017	21,118
Ian Dickson	Convener of Corporate Services Committee (from 17/5/17)	19,045	0	0	19,045	0
Diane Docherty	Convener of Housing & Communities Committee (from 17/5/17)	19,045	0	0	19,045	0
Jim Finn	Convener of Licensing Committee (from 17/5/17) Convener of Planning Committee (from 17/5/17) Convener of Tendering Committee (from 17/5/17)	20,623	0	0	20,623	16,893
Iain McLaren	Convener of Infrastructure Regeneration & Economic Development Committee (from 17/5/17)	19,045	0	0	19,045	0
Marie McNair	Convener of West Dunbartonshire Health & Social Care Partnership Board (IJB) (from 17/5/17)	20,623	0	0	20,623	16,893
John Mooney	Convener of Audit Committee (from 17/5/17)	21,017	0	0	21,017	21,118



## Remuneration Report (Cont'd)

### a) Remuneration - Councillors

**Table 1: Remuneration of Senior Councillors (cont'd)**

Name	Position	Year ended 31 March 2018				2016/17
		Salary, Fees & Allowances	Taxable Expenses	Non-cash Expenses, Benefits-in-kind	Total Remuneration	Total Remuneration
		£	£	£	£	£
Douglas McAllister	Provost (Civic Head) (until 3/5/17)	17,711	0	0	17,711	25,341
John Millar	Depute Provost (until 3/5/17)	17,317	0	0	17,317	21,118
Gail Casey	Convener of Community Health Care Partnership (until 3/5/17) Convener of Argyll, Bute & Dunbartonshire Criminal Justice (until 3/5/17) Convener of Integrated Joint Board (HSCP)(until 3/5/17) Depute Leader of the Opposition (From 17/5/17)	17,346	0	0	17,346	21,127
Lawrence O'Neill	Convener of Licensing Committee (until 3/5/17) Convener of Planning Committee (until 3/5/17)	17,317	0	0	17,317	21,118
David McBride	Convener of Housing and Communities Committee (until 3/5/17) Convener of Tendering Committee (until 3/5/17)	17,317	0	0	17,317	21,118
Michelle McGinty	Convener of Education Services Committee Convener of Education, Grievance & Disciplinary Committee (until 3/5/17)	1,967	0	0	1,967	21,118
Patrick McGlinchey	Depute Leader Convener of Infrastructure Regeneration & Economic Dev Community Convener of Joint Consultative Forum (until 3/5/17)	1,967	0	0	1,967	21,118
Thomas Rainey	Convener of Appeals Committee (until 3/5/17)	1,967	0	0	1,967	21,118
Kathleen Ryall	Convener of Corporate Services Committee (until 3/5/17)	1,965	0	0	1,965	21,127

**Note:** The term *Senior Councillor* means a Leader of the Council, the Civic Head or a Senior Councillor, all as defined by regulation 2 of the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007(3).

### Remuneration paid to all Councillors

The Council paid the following salaries, allowances and expenses to all Councillors (including the Senior Councillors above) during the year:

2016/17	2017/18
£000	£000
443,500 Salaries	438,190
0 Allowances	0
22,125 Expenses	22,355
<b>465,625 Total</b>	<b>460,545</b>

## Remuneration Report (Cont'd)

### a) Remuneration - Councillors

#### Remuneration paid to all Councillors (Cont'd)

**Note:** The annual return of Councillors' salaries and expenses for 2017/18 is available for any member of the public to view at all Council libraries and public offices during normal working hours and is also available on the Council's website at [www.west-dunbarton.gov.uk](http://www.west-dunbarton.gov.uk).

### b) Remuneration - Senior Employees

The salary of senior employees is set by reference to national arrangements. The Scottish Joint Negotiating Committee (SJNC) for Local Authority Services sets the salaries for the Chief Executives of Scottish local authorities. Circular CO/149 sets the amount of salary for the Chief Officials of West Dunbartonshire Council for the period 2017 to 2018. The post of Chief Officer Health and Social Care Partnership is a joint post between West Dunbartonshire Council and NHS Greater Glasgow and Clyde.

The only benefits received by employees are: salary; employer contributions to the pension fund; and where applicable, payment for election duties. There were no bonuses, compensation for loss of office or other benefits paid to senior employees during the year. The remuneration details for senior employees are noted in Table 2:

**Table 2: Remuneration of Senior Employees**

Name	Position at 31/03/18	Salary, Fees and Allowances 2017/18	Election Duties 2017/18	Total Remuneration 2017/18	Total Remuneration 2016/17
		£	£	£	£
Joyce White	Chief Executive	123,272	4,426	127,698	132,526
Angela Wilson	Strategic Director of Transformation & Public Sector Reform	106,860	1,881	108,741	109,237
Richard Cairns	Strategic Director of Regeneration, Environment & Growth	106,860	0	106,860	105,889
Keith Redpath	Chief Officer - Health & Social Care Partnership (until 31/7/17)	17,906 (full time equivalent £35,812 to 31/7/17)	0	17,906 (full time equivalent £35,812 to 31/7/17)	53,717 (full time equivalent £107,435)
Beth Culshaw	Chief Officer - Health & Social Care Partnership (from 3/7/17)	77,784 (full time equivalent £105,102)	0	77,784 (full time equivalent £105,102)	0
Jackie Irvine	Head of Children's Healthcare & Criminal Justice	86,466	0	86,466	85,731
Stephen West	Strategic Lead - Resources	86,466	390	86,856	86,286

Total remuneration 2016/17 has been restated to include election payments for senior employees

Details of Mr. Redpath's remuneration are included within the accounts of the National Health Service Greater Glasgow & Clyde. The figure shown for Mr. Redpath under Salary, Fees and Allowances, represents the contribution made by West Dunbartonshire Council to NHS Greater Glasgow and Clyde towards Mr. Redpath's salary. The figure shown for Ms. Culshaw under Salary, Fees and Allowances, is the remuneration paid by West Dunbartonshire Council to Ms Culshaw. NHS Greater Glasgow fund 50% of this cost.

## Remuneration Report (Cont'd)

### b) Remuneration - Senior Employees (Cont'd)

#### Notes

1. The term *senior employee* means any local authority employee:
  - who has responsibility for the management of the local authority to the extent that the person has the power to direct or control the major activities of the authority (including activities involving the expenditure of money), during the year to which the Report relates, whether solely or collectively with other persons;
  - who holds a post that is politically restricted by reason of section 2(1) (a), (b) or (c) of Local Government and Housing Act 1989 (4); or
  - whose annual remuneration, including any remuneration from a local authority subsidiary body, is £150,000 or more.
2. The figure for gross salary, fees and allowances shown for the Chief Executive for the year ended 31 March 2018 would include any amounts received as the Returning Officer for West Dunbartonshire in elections. There were two elections: For the Local Government Election and the General Election during 2017/18, amounts included are £4,426 (2016/17 equivalent £10,374).
3. The Local Government (Discretionary Payments and Injury Benefits)(Scotland) Regulations 1998 make provision for authorities to make discretionary payments to local government employees to pay compensation for premature retirement. There were no discretionary payments made to senior employees during the year.

### c) Remuneration of Employees receiving more than £50,000

Council employees receiving more than £50,000 remuneration for the year were paid the following amounts. In accordance with the disclosure requirement of the Regulations, the information in the table shows the number of employees in bands of £5,000. This information includes the senior employees who are subject to the fuller disclosure requirements in the tables above. The increase in the number of employees receiving more than £50,000 gross salary payment is mainly due to the financial year 2017/18 having 14 salary payments within the tax year for employees paid on a 4 weekly cycle. These staff did not receive any additional pay, but due to the 4 weekly cycle there are very occasionally financial years with 14 pays within a single financial year. The treatment of such and tax on this is managed in line with HMRC regulations on such occurrences.

**Table 3: Remuneration of Employees**

	Number of Employees	
	2017/18	2016/17
£50,000 - £54,999	51	41
£55,000 - £59,999	41	33
£60,000 - £64,999	19	18
£65,000 - £69,999	10	1
£70,000 - £74,999	1	1
£75,000 - £79,999	2	1
£80,000 - £84,999	6	9
£85,000 - £89,999	5	1
£90,000 - £94,999	2	0
£100,000 - £104,999	0	1
£105,000 - £109,999	0	1
£115,000 - £119,999	2	0
£130,000 - £134,999	1	1
<b>Total</b>	<b>140</b>	<b>108</b>

## Remuneration Report (Cont'd)

### d) Pension Benefits

Pension benefits for Councillors and most local government employees are provided through the Local Government Pension Scheme (LGPS). Councillors' pension benefits are based on career average pay. The Councillor's pay for each year or part year ending 31 March (other than the pay in the final year commencing 1 April) is increased by the increase in the cost of living, as measured by the appropriate index (or indices) between the end of that year and the last day of the month in which their membership of the scheme ends. The total of the revalued pay is then divided by the period of membership to calculate the career average pay. This is the value used to calculate the pension benefits. The pension entitlements for the year to 31 March 2018 are shown in Table 5 on page 28. The table details the pension entitlement and contributions made by West Dunbartonshire Council in respect of all senior Councillors and senior officers of the Council who have opted to join the LGPS.

For local government employees, the LGPS 2015 is a career average pension scheme. This means that pension benefits from 01/04/2015 are based on pensionable pay with inflation added. Pension is accrued at a rate of 1/49 of pensionable pay for each scheme year. Pension benefits can be accessed from age 60 but are reduced if taken earlier than Normal pension Age (State Pension Age). Pension benefits accrued before 1 April 2015 are protected and are based on final pay on retiring.

Pension benefits for teachers are provided through Scottish Teachers Superannuation Scheme (STSS). The STSS is a contributory scheme administered by the Scottish Public Pension Agency (SPPA). From 1 April 2015 the scheme is a career average pension scheme. Pension benefits are increased in line with inflation. Pension is accrued at 1/57 of pensionable earnings each year. Pension benefits can be accessed earlier than the normal state pension age but will be reduced if taken earlier than the normal pension age (state pension age).

From 1 April 2009, a five tier contribution system was introduced with contributions from scheme members being based on how much pay falls into each tier. This is designed to give more equality between the cost and benefits of scheme membership. Table 4 provides information on these tiered contribution rates.

**Table 4: Contribution Rate**

	<b>Contribution rate 2017/18</b>	<b>Contribution rate 2016/17</b>
<b>The tiers and members contribution rates for 2017/18 whole time pay:</b>		
<b><u>Local Government employees</u></b>		
On earnings up to and including £20,700 (£20,500)	5.50%	5.50%
On earnings above £20,700 (£20,500) and up to £25,300 (£25,000)	7.25%	7.25%
On earnings above £25,300 (£25,000) and up to £34,700 (£34,400)	8.50%	8.50%
On earnings above £34,700 (£34,400) and up to £46,300 (£45,800)	9.50%	9.50%
On earnings above £46,300 (£45,800)	12.00%	12.00%
<b>The tiers and members contribution rates for 2017/18 actual pay:</b>		
<b><u>Teachers</u></b>		
On earnings up to and including £26,259 (£25,999)	7.20%	7.20%
On earnings above £26,259 (£25,999) and up to £35,349 (£34,999)	8.70%	8.70%
On earnings above £35,349 (£34,999) and up to £41,914 (£41,499)	9.70%	9.70%
On earnings above £41,914 (£41,499) and up to £55,549 (£54,999)	10.40%	10.40%
On earnings above £55,549 (£54,999) and up to £75,749 (£74,999)	11.50%	11.50%
On earnings above £75,749 (£74,999)	11.90%	11.90%

If a person works part-time their contribution rate is worked out on the whole-time pay rate for the job, with actual contributions paid on actual pay earned. There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004. The accrual rate guarantees a pension based on 1/49<sup>th</sup> of pay from 1 April 2015. Prior to this the accrual rate guarantees a pension based on 1/60<sup>th</sup> of final pensionable salary and years of

## Remuneration Report (Cont'd)

### d) Pension Benefits (Cont'd)

pensionable service. Prior to 2009 the accrual rate guaranteed a pension based on 1/80th and a lump sum based on 3/80<sup>th</sup> of final pensionable salary and years of pensionable service).

The value of the accrued benefits has been calculated on the basis of the age at which the person will first become entitled to receive a pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation.

**Table 5: Pension Benefits of Senior Councillors and Senior Employees**

		In-year pension contributions		Accrued pension benefits	
		For year to 31 March 2018	For year to 31 March 2017	As at 31 March 2018	As at 31 March 2017
Name	Position at 31/03/18	£	£	£	£
<b>Senior Councillors</b>					
Jonathan McColl	Leader of Council (from 17/5/17) Convener of Community Planning West Dunbartonshire Management Board (from 17/5/17) Convener of Sub Committee on Scheme of Delegation (from 17/5/17) Convener of Recruitment & Individual Performance Management Committee (from 17/5/17)	6,198	4,076	5,752	4,788
Martin Rooney	Leader of the Opposition (from 17/5/17) Convener of Vale of Leven Committee (from 17/5/17)	4,284	6,521	7,490	7,072
Gail Casey	Depute Leader of the Opposition (from 17/5/17)	3,633	4,062	5,314	4,969
Denis Agnew	Bailie (from 17/5/17)	3,980	3,260	5,694	5,194
John Mooney	Convener of Audit Committee (from 17/5/17)	4,056	4,076	2,362	1,912
Jim Brown	Convener of Licensing Board (from 17/5/17)	3,403	0	371	0
Karen Conaghan	Depute Provost (from 17/5/17) Convener of Appeals Committee (from 17/5/17) Convener of Educational Services Committee (from 17/5/17)	3,767	0	410	0
Ian Dickson	Convener of Corporate Services Committee (from 17/5/17)	3,767	0	410	0
Diane Docherty	Convener of Housing & Communities Committee (from 17/5/17)	3,767	0	410	0
Jim Finn	Convener of Licensing Committee (from 17/5/17) Convener of Planning Committee (from 17/5/17) Convener of Tendering Committee (from 17/5/17)	3,980	3,260	2,792	2,304
Caroline McAllister	Depute Leader (from 17/5/17)	3,767	0	410	0
Iain McLaren	Convener of Infrastructure Regeneration & Economic Development Committee (from 17/5/17)	3,767	0	410	0
Kathleen Ryall	Convener of Corporate Services Committee (until 3/5/17)	592	4,062	1,981	1,901
Michelle McGinty	Convener of Education Services Committee (until 3/5/17) Education, Grievance & Disciplinary Committee (until 3/5/17)	380	4,076	1,961	1,912
David McBride	Convener of Housing & Communities Committee (until 3/5/17) Convener of Tendering Committee (until 3/5/17)	3,062	4,076	5,220	4,846
Lawrence O'Neill	Convener of Licensing Committee (until 3/5/17) Convener of Planning Committee (until 3/5/17)	3,342	4,076	1,557	1,223
<b>Senior Employees</b>					
Joyce White	Chief Executive	26,405	25,035	27,580	24,546
Angela Wilson	Strategic Director of Transformation & Public Sector Reform	22,149	20,361	141,575	138,064
Richard Cairns	Strategic Director of Regeneration, Environment & Growth	22,149	20,361	58,774	56,082
Keith Redpath	Chief Officer - Health & Social Care Partnership (until 31/7/17)	0	0	0	0
Beth Culshaw	Chief Officer - Health & Social Care Partnership (from 3/7/17)	15,457	0	1,470	0
Jackie Irvine	Head of Childrens' Healthcare & Criminal Justice	17,922	16,485	53,055	50,850
Stephen West	Strategic Lead - Resources	17,922	16,485	112,510	109,750

The pension figures shown relate to the benefits that the person has accrued as a consequence of their total public sector service, and not just their current appointment. The pension entitlements for the year to 31 March 2018 for Senior Councillors are shown in Table 5, together with the contribution made by West Dunbartonshire Council to each Senior Councillor's pension during the year. Senior councillors omitted from the table above are not members of the Local Government Pension Scheme.

## Remuneration Report (Cont'd)

### e) Exit Packages

A number of exit packages were agreed, at a total cost of £0.547m for 2017/18, as shown in the following Table 6. This includes £0.484m for exit packages that have been agreed, accrued for and charged to West Dunbartonshire Council's Comprehensive Income and Expenditure Statement.

**Table 6**

Banding	Number of departures		Total cost	
	2017/18	2016/17	2017/18 £	2016/17 £
£0 - £20,000	16	23	176,252	178,817
£20,001 - £40,000	3	9	96,611	245,043
£40,001 - £60,000	3	5	140,439	242,978
£60,001 - £80,000	2	0	134,161	0
£80,001 - £100,000	0	5	0	446,209
£100,001 - £150,000	0	4	0	452,451
£150,001 - £600,000	0	0	0	0
<b>Total</b>	<b>24</b>	<b>46</b>	<b>547,463</b>	<b>1,565,498</b>

Note: there were no compulsory packages in this or the previous financial year.

Jonathan McColl  
 Leader of the Council  
 Date: 27 June 2018

Joyce White  
 Chief Executive  
 Date: 27 June 2018

## Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in year, of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The Council raises taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

2016/17 Re-stated Gross Expenditure £000	2016/17 Re-stated Gross Income £000	2016/17 Re-stated Net Expenditure £000	Note		2017/18 Gross Expenditure £000	2017/18 Gross Income £000	2017/18 Net Expenditure £000
74,491	(50,738)	23,753		<b>Service</b>	75,922	(49,726)	26,196
95,675	(5,032)	90,643		Corporate Services	104,553	(9,596)	94,957
57,452	(25,235)	32,217		Educational Services	63,378	(23,497)	39,881
				Infrastructure, Regeneration and Economic Development			
9,384	(4,624)	4,760		Housing and Communities	9,771	(4,811)	4,960
37,780	(40,625)	(2,845)		Housing Revenue Account	33,456	(42,283)	(8,827)
4,829	(6,423)	(1,594)		Miscellaneous Services	9,676	(6,916)	2,760
153,377	(87,221)	66,156		Health and Social Care Partnership	154,012	(86,991)	67,021
2,621	0	2,621		Requisitions	2,481	0	2,481
(7,589)	7,589	0		Removal of Internal Recharges	(7,933)	7,933	0
<b>428,020</b>	<b>(212,309)</b>	<b>215,711</b>		<b>Net Cost of Service (1)</b>	<b>445,316</b>	<b>(215,887)</b>	<b>229,429</b>
		(1,146)		(Gain) / loss on Disposal of Fixed Assets			595
		<b>(1,146)</b>		<b>Other Operating Expenditure (2)</b>			<b>595</b>
		(31,592)		Council Tax			(32,607)
		(82,793)	9	Non-Domestic Rates			(77,319)
		(100,799)	9	Revenue Support Grant			(104,165)
		(8,229)	9	Recognised Capital Income (Grants, Contributions & Donations)			(13,169)
		<b>(223,413)</b>		<b>Taxation and Non-specific Grant Income (3)</b>			<b>(227,260)</b>
		(177)	25	Interest Earned			(320)
		18,437	25	External Interest Payable / Similar Charges			18,422
		846		(Gain)/Loss early settlement of borrowing			846
		(3,284)	6	Surplus on Trading Undertakings not included in net cost of services			(2,759)
		5,462	12	Pension Interest Cost/Expected Return on Pension Assets			6,441
		<b>21,284</b>		<b>Finance/Investment Income and Expenditure (4)</b>			<b>22,630</b>
		<b>12,436</b>		<b>(Surplus)/Deficit on Provision of Services (5) = (1)+(2)+(3)+(4)</b>			<b>25,394</b>
		(24,382)		(Surplus)/Deficit arising from revaluation of property, plant and equipment			(2,485)
		(691)		(Surplus)/Deficit on revaluation of available for sale assets			(939)
		77,040	12	Actuarial (gains)/losses on pension fund assets and liabilities			(189,769)
		<b>51,967</b>		<b>Other Comprehensive (Income) and Expenditure (6)</b>			<b>(193,193)</b>
		<b>64,403</b>		<b>Total Comprehensive (Income) and Expenditure (5) + (6)</b>			<b>(167,799)</b>

## Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The surplus or (deficit) on the provision of services line shows the true economic cost of providing the authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund balance and the Housing Revenue Account for council tax setting and dwelling rent setting purposes. The net increase/decrease before transfer to earmarked reserves line shows the statutory general fund balance and housing revenue account balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

	Note	Usable Reserves							Total Reserves £000
		General Fund balance £000	HRA Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied Account £000	Capital Reserve £000	Other Reserves £000	Total Usable Reserves £000	
<b>2017/18</b>									
Opening Balance at 1 April 2017		(13,118)	(6,963)	0	(466)	(3,633)	(499)	(24,679)	(110,346) (135,025)
<b>Movement in reserve 2017/18</b>									
(Surplus) or deficit on provision of services		32,067	(6,673)	0	0	0	0	25,394	(193,193) (167,799)
Other Comprehensive Expenditure and Income	4	(29,577)	6,214	0	152	0	0	(23,211)	23,211 0
<b>Net (Increase)/Decrease before Transfers to Other Statutory Reserves</b>		<b>2,490</b>	<b>(459)</b>	<b>0</b>	<b>152</b>	<b>0</b>	<b>0</b>	<b>2,183</b>	<b>(169,982) (167,799)</b>
Transfers to/from other statutory reserves		(385)	0	0	0	364	21	0	0 0
<b>Closing Balance at 31 March 2018</b>		<b>(11,013)</b>	<b>(7,422)</b>	<b>0</b>	<b>(314)</b>	<b>(3,269)</b>	<b>(478)</b>	<b>(22,496)</b>	<b>(280,328) (302,824)</b>
<b>2016/17</b>									
Opening Balance at 1 April 2016		(11,203)	(6,217)	0	(484)	(3,824)	(527)	(22,255)	(177,173) (199,428)
<b>Movement in reserve 2016/17</b>									
(Surplus) or deficit on provision of services		11,028	1,408	0	0	0	0	12,436	51,967 64,403
Adjustments between accounting basis and funding basis under regulations	4	(12,724)	(2,154)	0	18	0	0	(14,860)	14,860 0
<b>Net (Increase)/Decrease before Transfers to Other Statutory Reserves</b>		<b>(1,696)</b>	<b>(746)</b>	<b>0</b>	<b>18</b>	<b>0</b>	<b>0</b>	<b>(2,424)</b>	<b>66,827 64,403</b>
Transfers to/from other statutory reserves		(219)	0	0	0	191	28	0	0 0
<b>Closing Balance at 31 March 2017</b>		<b>(13,118)</b>	<b>(6,963)</b>	<b>0</b>	<b>(466)</b>	<b>(3,633)</b>	<b>(499)</b>	<b>(24,679)</b>	<b>(110,346) (135,025)</b>



## Balance Sheet

The balance sheet shows the value, as at the balance sheet date, of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories:

1. Usable reserves, i.e. those reserves that the authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the capital receipts reserve that may only be used to fund capital expenditure or repay debt); and
2. Non-usable reserves, i.e. those that the Council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the revaluation reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the MIRS line 'adjustments between accounting basis and funding basis under regulations'.

2016/17			2017/18
£000	Notes		£000
825,771	15	Property, Plant and Equipment	873,051
29	16	Intangible Assets	19
44		Long Term Debtors	34
1,406	18	Heritage Assets	1,406
501		Long Term Investments	497
<b>827,751</b>		<b>Long Term Assets</b>	<b>875,007</b>
7,345	17	Asset Held for Sale	9,069
1,146		Inventories	956
36,056	22	Short Term Debtors	37,314
12,030	24	Cash and Cash Equivalents	28,263
<b>56,577</b>		<b>Current Assets</b>	<b>75,602</b>
(750)	27	Provisions	(470)
(36,317)	26	Short Term Creditors	(33,558)
(157,557)		Short Term Borrowing	(172,334)
(2,718)	24	Cash and Cash Equivalents	(5,929)
<b>(197,342)</b>		<b>Current Liabilities</b>	<b>(212,291)</b>
<b>686,986</b>		<b>Net Assets</b>	<b>738,318</b>
(310,255)		Long Term Borrowing	(363,201)
(240,926)	12	Net Pensions Liability	(71,293)
(780)	9	Capital Grants Receipts in Advance	(1,000)
<b>(551,961)</b>		<b>Long Term Liabilities</b>	<b>(435,494)</b>
<b>135,025</b>		<b>Total Assets Less Liabilities</b>	<b>302,824</b>
<b>Represented by:</b>			
24,679	MIR	Usable Reserves	22,496
110,346	MIR	Unusable Reserves	280,328
<b>135,025</b>		<b>Total Reserves</b>	<b>302,824</b>

The unaudited Financial Statements were authorised for issued on 27 June 2018.

Stephen West  
Strategic Lead - Resources  
West Dunbartonshire Council  
Date: 27 June 2018

## Cash Flow Statement

The cash flow statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the authority are funded by way of taxation and grant income or from the recipients of services provided by the authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

2016/17 £000	Notes	2017/18 £000
	<b>Operating Activities</b>	
12,436	Net deficit on the provision of services	25,394
(37,480)	23 Adjustments to net surplus or deficit on the provision of services for non-cash movements	(60,343)
8,141	23 Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financial activities	13,111
<b>(16,903)</b>	23 <b>Net cash inflow from Operating Activities</b>	<b>(21,838)</b>
70,598	23 Investing Activities	51,950
(55,438)	23 Financing Activities	(43,134)
<b>(1,743)</b>		<b>(13,022)</b>
7,569	24 Cash and cash equivalents at the beginning of the reporting period	9,312
9,312	24 Cash and cash equivalents at the end of the reporting period	22,334
<b>(1,743)</b>	24 <b>Movement – Increase in Cash</b>	<b>(13,022)</b>

## Notes to the Financial Statements

### Note 1 – Prior Year Adjustment

There has been a prior year adjustment for the detail held in the Net Cost of Service within the Comprehensive Income and Expenditure Statement due to a change in the service responsibilities of the Council's Committees. The revised Statement also now includes a line highlighting and removing internal recharges from the Net Cost of Service total.

The effects of the restatement on the Financial Statements are as follows (only those lines that have changed are shown):

	As previously Stated £000	Prior Year Adjustment £000	Restated £000
<b>Comprehensive Income and Expenditure -</b>			
<b>Gross Expenditure</b>			
Corporate Services	72,733	1,758	74,491
Education	99,331	(3,656)	95,675
Infrastructure, Regeneration and Economic Development	57,481	(29)	57,452
Housing and Communities	7,457	1,927	9,384
Removal of Internal Recharges	0	(7,589)	(7,589)
<b>Net Cost of Service</b>	<b>435,609</b>	<b>(7,589)</b>	<b>428,020</b>
<b>Comprehensive Income and Expenditure -</b>			
<b>Gross Income</b>			
Corporate Services	(50,477)	(261)	(50,738)
Education	(5,445)	413	(5,032)
Infrastructure, Regeneration and Economic Development	(24,519)	(716)	(25,235)
Housing and Communities	(5,188)	564	(4,624)
Removal of Internal Recharges	0	7,589	7,589
<b>Net Cost of Service</b>	<b>(219,898)</b>	<b>7,589</b>	<b>(212,309)</b>
<b>Comprehensive Income and Expenditure -</b>			
<b>Net Expenditure</b>			
Corporate Services	22,256	1,497	23,753
Education	93,886	(3,243)	90,643
Infrastructure, Regeneration and Economic Development	32,962	(745)	32,217
Housing and Communities	2,269	2,491	4,760

## Notes to the Financial Statements (Cont'd)

### Note 2 – Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Financial Statements contain estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the authority's balance sheet as at 31 March 2018, for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainty	Potential effect
Property Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will incur in relation to those assets. The current economic climate makes it uncertain that the Council will be able to sustain its current level of spending on maintenance, bringing into doubt the useful lives assigned to assets.	If the useful lives of assets are reduced, depreciation will increase and the carrying amount of assets will fall. It is estimated that the annual depreciation charge for buildings would increase by £1.293m for every year that useful lives had to be reduced.
Provision – severance and early retiral	The Council has set aside a provision of £0.153m for future early retiral or voluntary severance costs, based upon an average historic settlement figure and estimated leavers. It is not certain that the estimate accounts for all possible voluntary leavers or that the estimated average historic cost will be applicable.	An increase over the forthcoming year of 10% in either the total number of voluntary leavers or the estimated average cost would have an effect of adding £0.015m to the provision needed.
Provision – equal pay	The Council has set aside a provision of £0.317m for the settlement of claims arising from the Equal Pay Initiative, based upon the number of claims received and an average settlement amount. It is not certain that all valid claims have been received by the Council or that precedents set elsewhere on settlement values will be applicable.	An increase over the forthcoming year of 10% in either the total number of claims or the estimated average settlement would have an effect of adding £0.032m to the provision needed.
Pension liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rates used, the rate at which salaries are projected to increase by, changes to retirement ages, mortality rates and expected returns on pension assets held. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions applied.	The effect on the net liability can be measured. However, the assumptions interact in complex ways. During 2017/18 the appointed actuaries advised that the net liability had decreased by £169.633m as a result of estimates being updated and an update to the assumptions.
Arrears and bad debts	As at 31 March 2018, the Council had a balance of various debtors (including council tax, sundry debtors, housing rents) of £37.314m with a sliding scale of bad debt provision written against this, depending on the age of the debt.	If collection rates were to deteriorate, the provision for bad debts would require to be reviewed to consider the appropriate level of provision. However, based upon prior experience, the bad debt provision is considered adequate.

## Notes to the Financial Statements (Cont'd)

### Note 2 – Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty (Cont'd)

Item	Uncertainty	Potential effect
Fair Value Measurements	<p>When the fair value of financial assets and financial liabilities cannot be measured based on quoted prices in active markets (i.e. Level 1 inputs), their fair value is measured using valuation techniques (e.g. quoted prices for similar assets or liabilities in active markets or the discounted cash flow (DCF) model).</p> <p>Where possible, the inputs to these valuation techniques are based on observable data, but where this is not possible judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. However, changes in the assumptions used could affect the fair value of the Council's assets and liabilities.</p> <p>Where Level 1 inputs are not available, the Council utilises relevant experts to identify the most appropriate valuation techniques (for example for surplus assets and non-current assets held for sale, the Council's estates valuer and for financial instruments the Council's treasury advisors). Information about the valuation techniques and inputs used in determining the fair value of the Council's assets and liabilities is disclosed in notes 15, 17 and 25.</p>	<p>The authority uses the discounted cash flow (DCF) model to measure the fair value of financial instruments. Surplus assets and non-current assets held for sale have been based on the market value approach. Market conditions are such that similar properties are marketed, purchased and sold actively.</p> <p>The significant observable inputs used include current market conditions and recent sales prices and other relevant information for similar assets in the West Dunbartonshire area together with evidence across the wider West of Scotland for surplus assets and non-current assets held for sale and discount rates for financial instruments.</p> <p>Significant changes in any of these would result in significantly lower or higher fair value measurement for financial instruments as detailed in note 25. Significant changes to the key inputs for non-financial assets would have a significant impact on the value of the properties. However as the properties are valued annually and form a small proportion in relation to the value of the Council's overall portfolio the impact of any changes would be limited.</p>

## Notes to the Financial Statements (Cont'd)

### Note 3 - Material Items of Income and Expense

Where items are not disclosed on the face of the Comprehensive Income and Expenditure Statement, the Code requires a disclosure of the nature and amount of material items. Material items of expenditure charged to services in the year are shown in the table below:

Item	Nature	£000
Unitary Charge Payment	Public Private Partnership agreement for the provision of 3 secondary schools and one primary school	11,569
Insurances	Insurance premiums for all policies	2,008
Landfill Tax	A tax paid on the disposal of waste. It is payable to Her Majesty's Revenue and Customs (HMRC)	1,959
Housing Benefit paid	Benefit paid to support customers on low incomes with housing rent costs	43,522
Housing Benefit received	Benefit received to support customers on low incomes with housing rent costs	(42,717)
Care Homes	Cost of providing care home services by external providers	8,780
NHS Resource Transfer	Income received from NHS to support care in the community.	(8,549)
Supplementation	Residential Accommodation for adults and children with disabilities	17,375
HSCP	Day Support	1,142
HSCP	Payments to Clients	3,431

## Notes to the Financial Statements (Cont'd)

### Note 4 – Adjustments between funding accounting basis and funding basis under regulations

This note provides further breakdown of the adjustments summarised in the Movement in Reserves Statement on page 31. It is identified under the headings Usable and Unusable Reserves. Further detail of the reserves identified under the classification of usable and unusable is given in notes 28 and 29 on pages 74 and 75.

2017/18

	General Fund Balance £000	HRA Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied Account £000	Capital Reserve £000	Other Reserves £000	Total Usable Reserves £000
<b>Usable Reserves</b>							
<b>Adjustments to the Revenue Resources</b>							
Pension Costs (transferred to (or from) the Pensions Reserve)	(19,548)	(588)	0	0	0	0	(20,136)
Financial Instruments (transferred to the Financial Instruments Adjustment Account)	(32)	(26)	0	0	0	0	(58)
Holiday Pay (transferred to the Accumulated Absences Reserve)	573	(13)	0	0	0	0	560
Reversal of entries included in the Surplus or Deficit on the Provision or Services in relation to capital expenditure (these items are charges to the Capital Adjustment Account)	(18,624)	(5,885)	0	0	0	0	(24,509)
	<b>(37,631)</b>	<b>(6,512)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(44,143)</b>
<b>Adjustments between Capital and Revenue Resources</b>							
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	(392)	(203)	595	0	0	0	0
Statutory provision for the repayment of debt (transfer to/from the Capital Adjustment Account)	7,830	5,960	0	0	0	0	13,790
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	616	6,969	0	0	0	0	7,585
	<b>8,054</b>	<b>12,726</b>	<b>595</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>21,375</b>
<b>Adjustments to the Capital Resources</b>							
Disposal of non-current asset sale proceeds	0	0	(4,405)	0	0	0	(4,405)
Use of the Capital Receipts Reserve to finance capital expenditure	0	0	3,810	0	0	0	3,810
Application of capital grants to finance capital expenditure	0	0	0	152	0	0	152
	<b>0</b>	<b>0</b>	<b>(595)</b>	<b>152</b>	<b>0</b>	<b>0</b>	<b>(443)</b>
<b>Total Adjustments</b>	<b>(29,577)</b>	<b>6,214</b>	<b>0</b>	<b>152</b>	<b>0</b>	<b>0</b>	<b>(23,211)</b>

## Notes to the Financial Statements (Cont'd)

### Note 4 – Adjustments between funding accounting basis and funding basis under regulations (cont'd)

2017/18

	Capital Adjustment Account £000	Revaluation Reserve £000	Pension Reserve £000	Employee Statutory Adjustment Account £000	FIAA £000	Total Unusable Reserves £000
<b>Unusable Reserves</b>						
<b>Adjustments to the Revenue Resources</b>						
Pension Costs (transferred to (or from) the Pensions Reserve)	0	0	20,136	0	0	20,136
Financial Instruments (transferred to the Financial Instruments Adjustment Account)	0	0	0	0	58	58
Holiday Pay (transferred to the Accumulated Absences Reserve)	0	0	0	(560)	0	(560)
Reversal of entries included in the Surplus or Deficit on the Provision or Services in relation to capital expenditure (these items are charges to the Capital Adjustment Account)	24,509	0	0	0	0	24,509
	<b>24,509</b>	<b>0</b>	<b>20,136</b>	<b>(560)</b>	<b>58</b>	<b>44,143</b>
<b>Adjustments between Capital and Revenue Resources</b>						
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(13,790)	0	0	0	0	(13,790)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(7,585)	0	0	0	0	(7,585)
	<b>(21,375)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(21,375)</b>
<b>Adjustments to the Capital Resources</b>						
Disposal of non-current asset sale proceeds	4,405	0	0	0	0	4,405
Depreciation adjustment between Capital Adjustment Account and Revaluation Reserve	(9,712)	9,712	0	0	0	0
Write out Revaluation Reserve of Disposals	(1,069)	1,069	0	0	0	0
Use of the Capital Receipts Reserve to finance capital expenditure	(3,810)	0	0	0	0	(3,810)
Application of capital grants to finance capital expenditure	(152)	0	0	0	0	(152)
	<b>(10,338)</b>	<b>10,781</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>443</b>
<b>Total Adjustments</b>	<b>(7,204)</b>	<b>10,781</b>	<b>20,136</b>	<b>(560)</b>	<b>58</b>	<b>23,211</b>



## Notes to the Financial Statements (Cont'd)

### Note 4 – Adjustments between funding accounting basis and funding basis under regulations (cont'd)

2016/17

	General Fund Balance £000	HRA Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied Account £000	Capital Reserve £000	Other Reserves £000	Total Usable Reserves £000
<b>Usable Reserves</b>							
<b>Adjustments to the Revenue Resources</b>							
Pension Costs (transferred to (or from) the Pensions Reserve)	9,948	198	0	0	0	0	10,146
Financial Instruments (transferred to the Financial Instruments Adjustment Account)	(8)	(9)	0	0	0	0	(17)
Holiday Pay (transferred to the Accumulated Absences Reserve)	657	(1)	0	0	0	0	656
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charges to the Capital Adjustment Account)	11,025	13,082	0	70	0	0	24,177
	<b>21,622</b>	<b>13,270</b>	<b>0</b>	<b>70</b>	<b>0</b>	<b>0</b>	<b>34,962</b>
<b>Adjustments between Capital and Revenue Resources</b>							
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	(1,497)	351	1,146	0	0	0	0
Statutory provision for the repayment of debt (transfer to/from the Capital Adjustment Account)	(6,865)	(6,093)	0	0	0	0	(12,958)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(536)	(5,374)	0	0	0	0	(5,910)
	<b>(8,898)</b>	<b>(11,116)</b>	<b>1,146</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(18,868)</b>
<b>Adjustments to the Capital Resources</b>							
Disposal of non-current asset sale proceeds	0	0	4,305	0	0	0	4,305
Use of the Capital Receipts Reserve to finance capital expenditure	0	0	(5,451)	0	0	0	(5,451)
Application of capital grants to finance capital expenditure	0	0	0	(88)	0	0	(88)
	<b>0</b>	<b>0</b>	<b>(1,146)</b>	<b>(88)</b>	<b>0</b>	<b>0</b>	<b>(1,234)</b>
<b>Total Adjustments</b>	<b>12,724</b>	<b>2,154</b>	<b>0</b>	<b>(18)</b>	<b>0</b>	<b>0</b>	<b>14,860</b>

## Notes to the Financial Statements (Cont'd)

### Note 4 – Adjustments between funding accounting basis and funding basis under regulations (cont'd)

2016/17

	Capital Adjustment Account £000	Revaluation Reserve £000	Pension Reserve £000	Employee Statutory Adjustment Account £000	FIAA £000	Total Unusable Reserves £000
<b>Unusable Reserves</b>						
<b>Adjustments to the Revenue Resources</b>						
Pension Costs (transferred to (or from) the Pensions Reserve)	0	0	(10,146)	0	0	(10,146)
Financial Instruments (transferred to the Financial Instruments Adjustment Account)	0	0	0	0	17	17
Holiday Pay (transferred to the Accumulated Absences Reserve)	0	0	0	(656)	0	(656)
Reversal of entries included in the Surplus or Deficit on the Provision or Services in relation to capital expenditure (these items are charges to the Capital Adjustment Account)	(24,177)	0	0	0	0	(24,177)
	<b>(24,177)</b>	<b>0</b>	<b>(10,146)</b>	<b>(656)</b>	<b>17</b>	<b>(34,962)</b>
<b>Adjustments between Capital and Revenue Resources</b>						
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	12,958	0	0	0	0	12,958
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	5,910	0	0	0	0	5,910
	<b>18,868</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18,868</b>
<b>Adjustments to the Capital Resources</b>						
Disposal of non-current asset sale proceeds	(4,305)	0	0	0	0	(4,305)
Depreciation adjustment between Capital Adjustment Account and Revaluation Reserve	9,421	(9,421)	0	0	0	0
Write out Revaluation Reserve of Disposals	466	(466)	0	0	0	0
Use of the Capital Receipts Reserve to finance capital expenditure	5,451	0	0	0	0	5,451
Application of capital grants to finance capital expenditure	88	0	0	0	0	88
	<b>11,121</b>	<b>(9,887)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,234</b>
<b>Total Adjustments</b>	<b>5,812</b>	<b>(9,887)</b>	<b>(10,146)</b>	<b>(656)</b>	<b>17</b>	<b>(14,860)</b>

## Notes to the Financial Statements (Cont'd)

### Note 5 – Events After the Balance Sheet Date

The draft Financial Statements were authorised for issue by the Strategic Lead - Resources on 27 June 2018. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provide information about conditions existing as at 31 March 2018, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

### Note 6 – Trading Operations

The Local Government Scotland Act 2003 repealed the legislation governing compulsory competitive tendering. The Act introduced a requirement for statutory trading accounts to be maintained for “significant trading operations”. A service is deemed to be a significant trading account where the service is provided in a competitive environment, it is charged on a basis other than straightforward recharge of cost and the service is deemed to be significant.

The Council has established two trading units where the service manager is required to operate in a commercial environment and balance their budget by generating income from other parts of the Council or other organisations. Details of those units are detailed below and these figures include an interest charge for the assets as noted within the accounting policies. It is the duty of a local Council to conduct each of its significant trading operations so that, taking every year with the two previous years, total revenue is not less than expenditure. The analysis for 2015/16 to 2017/18 is as follows:

The Council operates a **Housing Property Maintenance Trading Service** which delivers an economic, efficient and effective housing repairs service to its customers.

	2015/16	2016/17	2017/18	Cumulative
	£000	£000	£000	£000
Turnover	18,551	20,156	20,826	59,533
Expenditure	17,880	19,023	20,439	57,342
<b>Surplus</b>	<b>671</b>	<b>1,133</b>	<b>387</b>	<b>2,191</b>

The Council operates a **Grounds Maintenance/Street Cleaning Trading Service** which aims to make a positive impact on the health and wellbeing of residents and visitors to the area through cleaner and well maintained Council areas.

	2015/16	2016/17	2017/18	Cumulative
	£000	£000	£000	£000
Turnover	9,959	9,856	10,608	30,423
Expenditure	7,909	7,705	8,236	23,850
<b>Surplus</b>	<b>2,050</b>	<b>2,151</b>	<b>2,372</b>	<b>6,573</b>
<b>Surplus as noted in Comprehensive Income and Expenditure Statement</b>	<b>2,721</b>	<b>3,284</b>	<b>2,759</b>	<b>8,764</b>

Through annual review and evaluation, the Council operates two trading services, namely grounds maintenance/street cleaning and housing property maintenance. The above table confirms that both trading accounts which have been statutory for more than three years, have met the break even target.

The Trading Operations require to budget for estimated ISA19 pension expenditure. In 2017/18 the actual ISA19 pension charge resulted in an increase to expenditure within the services, creating a reduced surplus. This adjustment does not bring cash into or take cash from the trading operation, but is a technical adjustment required for accounting regulations. Trading operations are incorporated into the Comprehensive Income and Expenditure Statement.

## Notes to the Financial Statements (Cont'd)

### Note 7 – Related Parties

The Council is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

#### Central and Scottish Government

The Council received £181.484m (2016/17 £183.592m) of revenue government grants and £12.390m (2016/17 £6.641m) of capital grants from the Scottish Government (with £0.417m due to the Council at the year end); £43.270m (2016/17 £44.039m) from the Department of Works and Pensions (with £1.960m owed by the Council at the year end); and other grants of £8.961m (2016/17 £2.968m) as shown in Note 9 Grant Income (with £0.157m due to the Council at the year end).

#### Strathclyde Pension Fund

The Council is an admitted body to the local government pension scheme and has made payments as shown in Note 12 Defined Benefit Pension Schemes. The balance owed to the pension fund at the year end was £1.641m.

#### Joint Boards

The Council is a member of the Joint Boards for Valuation and Strathclyde Partnership for Transport and the Council's contributions are disclosed within the Group Accounts. The Council is also a member of the West Dunbartonshire Health and Social Care Partnership and provided funding in year of £60.547m (£61.535m 2016/17).

#### Voluntary Sector

The following voluntary organisations received over £0.050m in grant funding from West Dunbartonshire Council during 2017/18:

	<b>£000</b>
West Dunbartonshire Citizens Advice Bureau	399
Independent Resource Centre	109
Y-Sort It Youth Information Project	194
The Environment Trust	186
Dumbarton Women's Aid	158
Clydebank Women's Aid	166
Clyde Shopmobility	50

The Council has no shareholdings or investments in any of these organisations. There were no outstanding balances at the year end.

#### Key Management Personnel

Within the Council's Management Team, the Chief Officer of the HSCP is employed by West Dunbartonshire Council. Details of remuneration are included within the Council's Remuneration Statement.

#### Elected Members

Members of the Council have direct control over the Council's financial and operating policies. The total of members' allowances paid in 2017/18 is shown in the remuneration statement on pages 22 to 29. The Council maintains a register of interests for Members and reviews this for transactions carried out in the year with entities which Members have an interest. In the year ended 31 March 2018, the Council has not had any material transactions for anybody in which Members have an interest.

## Notes to the Financial Statements (Cont'd)

### Note 7 – Related Parties (Cont'd)

#### Senior Officers

Senior Officers require to declare an interest if he or she believes that there may be a perception that their decision making may be influenced in any way by a personal interest. Should this situation arise, the senior officer does not take part in any discussion or decision in relation to that interest. There are no significant related party transactions with senior officers of the Council.

### Note 8 – Agency Services

Transactions whereby the Council provides a service on behalf of external organisations are noted below:

2016/17 Net Payment/ (receipt) £000	Organisation	Description	2017/18 Receipts £000	2017/18 Payment £000	(Debtor)/ Creditor at 31.03.18 £000
13,563	Scottish Water	Water and sewerage charges collected by Council and paid over		13,790	302
(80,253)	Scottish Government	Non Domestic Rates	82,419	0	(5,048)

## Notes to the Financial Statements (Cont'd)

### Note 9 – Grant Income

The Council credited the following grants and other contributions to Taxation and Non-specific Grant Income within the Comprehensive Income and Expenditure Statement in 2017/18:

<b>31 March 2017</b>	<b>31 March 2018</b>
<b>£000</b>	<b>£000</b>
183,592 Revenue Support Grant/ Non-Domestic Rates	181,484
3,683 General Services Capital Grant	7,766
2,463 New House Build	3,171
0 Regeneration Capital Grant	1,000
397 City Deal	379
0 Energy Works	340
(7) Levensgrove	110
250 New Dumbarton Office	100
55 Sustrans	89
110 Strathclyde Passenger Transport	75
98 Cycle/Walk/Safer Streets grant	38
0 Gruggies Burn	36
0 Owner Occupier contributions/ roofing contributions	23
2 John Muir Trail	22
38 Balloch Library Upgrade	20
62 Scottish Futures Trust	0
8 Clydebank A814	0
16 War Memorial Trust	0
11 Dumbarton Castle Walkway	0
3 Glasgow Airpath Flightpath Fund	0
125 Heritage Lottery	0
25 Scottish Water	0
20 Information and Computer Technology Modernisation Fund	0
156 Overton Estate Restoration	0
592 Balloch School Campus	0
24 West Thompson St Playpark	0
98 Insurance Receipts	0
<b>191,821</b>	<b>194,653</b>

## Notes to the Financial Statements (Cont'd)

### Note 9 – Grant Income (Cont'd)

The Council credited the following grants to Services within the Comprehensive Income and Expenditure Statement in 2017/18.

31 March 2017	31 March 2018
£000	£000
0 Pupil Equity Fund	3,380
0 Criminal Justice	1,865
352 Scottish Attainment Secondary	1,190
1,322 Scottish Attainment Challenge Scotland Fund	823
364 Private Sector Housing	446
0 Early Learning	370
365 Education Maintenance Allowance	312
0 Asylum seekers	83
0 Opportunities for all	77
53 Violence against women	63
35 Smarter Choices Smarter Places - Sustainability	60
0 Improving Primary Science Grant	56
0 Tobacco Trading Standards	40
13 Youth Employment Grant	38
25 Education Maintenance Allowance Admin	25
12 English for Speakers of Other Languages	22
15 School Milk	22
0 Winning Foundation Grant	19
0 WW Battlefield grant	15
0 Gaelic Language	13
23 Scottish Government - Innovation Fund	11
47 Gaelic	10
4 Vehicle Emission testing	8
5 Numeracy Hub Champions Grant	6
0 Life Changes Trust	4
3 Food Standards	3
135 STEM	0
86 Scottish Government - Transition Planning & Supp	0
75 Business Gateway	0
14 Learning and Teaching	0
12 Food For Thought	0
8 School Improvement Partnership grant	0
<b>2,968</b>	<b>8,961</b>

The Council has received a number of grants that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the giver. The balances at the year end are as follows:

31 March 2017	31 March 2018
£000	£000
7 Turnberry Homes	7
0 Gruggies Burn	445
395 New Build Haldane	395
38 New Build Second Avenue	0
340 HEEPS	153
<b>780</b>	<b>1,000</b>

## Notes to the Financial Statements (Cont'd)

### Note 10 – Operating Leases

#### Council as Lessee

The Council occupies a number of properties by way of an operating lease. The future minimum lease payment due under non-cancellable leases in future years are:

31 March 2017	31 March 2018
£000	£000
713 Not later than one year	745
2,790 Later than one year and not later than five years	2,873
4,151 Later than five years	3,517
<u>7,654</u>	<u>7,135</u>

The expenditure charged to the appropriate service lines in the Comprehensive Income and Expenditure Statement during the year in relation to these leases was £0.697m (2016/17 - £0.697m).

The Council has acquired vehicles and equipment by entering into operating leases. The future minimum lease payment due under non-cancellable leases in future years are:

31 March 2017	31 March 2018
£000	£000
215 Not later than one year	253
468 Later than one year and not later than five years	563
271 Later than five years	203
<u>954</u>	<u>1,019</u>

The expenditure charged to the appropriate service lines in the Comprehensive Income and Expenditure Statement during the year in relation to these leases was £0.209m (2016/17 - £0.258m).

#### Council as Lessor

The Council leases out property under operating leases for the following purposes:

- For the provision of community services, such as sports facilities, tourism services and community centres; and
- For economic development purposes to provide suitable affordable accommodation for local businesses.

The future minimum lease payment due under non-cancellable leases in future years are:

31 March 2017	31 March 2018
£000	£000
3,803 Not later than one year	3,831
12,092 Later than one year and not later than five years	10,880
141,537 Later than five years	140,278
<u>157,432</u>	<u>154,989</u>



## Notes to the Financial Statements (Cont'd)

### Note 10 – Operating Leases (Cont'd)

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2017/18 £2.569m contingent rents were receivable by the Council (2016/17 £2.567m).

**Finance Leases** - The Council does not have any assets or liabilities under a finance lease, either as Lessee or Lessor.

### Note 11 – Termination Benefits

The Council terminated the contracts of a number of employees in 2017/18, incurring liabilities of £0.484m (£1.296m in 2016/17). These terminations were made as part of the redesign of services within the Council under voluntary severance and early retirement. There will be ongoing annual costs incurred by the Council for those staff leaving under early retirement due to ongoing pension costs

### Note 12 – Defined Benefit Pension Schemes

As part of the terms and conditions of employment of its officers and other employees, the Council offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement.

The Council participates in the following pension schemes:

**The Local Government Pension Scheme**, which is a defined benefit statutory scheme, operated as Strathclyde Pension Fund, and administered by Glasgow City Council in accordance with the Local Government Pension Scheme (Scotland) Regulations 1998. This is a funded scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets. The employer's contribution rate is set by the Fund actuaries following valuation. The employer contribution rate for 2017/18 was 19.3%, and 2018/19 is set at 19.3%. In 2017/18, the Council paid an employer's contribution of £16.668m (2016/17 £17.278m).

**The Teachers' Pension Scheme (Scottish Teachers' Superannuation Scheme (STSS))** which is a defined benefit scheme administered by the Scottish Public Pension Agency. The scheme is technically a multi-employer defined benefit scheme and consequently the Council is not able to identify its share of the underlying financial position and performance of the scheme with sufficient reliability for accounting purposes. For the purpose of this Statement of accounts, it is accounted for on the same basis as a defined contribution scheme.

The employer pays a set contribution rate of 17.2% which is effective from 1 September 2015, prior to this it was 14.9%. This is charged directly to the revenue account for the Education service. The amount paid over in respect of employer's contribution was £6.461m (2016/17 £6.236m) in respect of expenditure for teachers added years, £0.031m payments were made (2016/17 £0.032m).

The scheme is unfunded and all contributions (payable by members or employers) are paid to the Scottish Government, and the Scottish Government then meets the costs of all the benefits. A specific amount is held by the Scottish Government for this purpose. As a proportion of the total contributions into the Scottish Teachers Superannuation Scheme 2017/18, the Council's own contribution equates to 1.58%.

## Notes to the Financial Statements (Cont'd)

### Note 12 – Defined Benefit Pension Schemes (Cont'd)

The Council is not liable to the scheme for any other entities obligations under the plan.

#### 1) Local Government Pension Scheme

Councils are also required to disclose the capital cost of discretionary increases in pension payments agreed by the Council. In 2017/18 the capitalised costs that would have arisen from the early retiral of West Dunbartonshire Council employees and from predecessor authorities were as follows:

	<b>£000</b>
2017/2018	(1,307)
In earlier years	63,161
<b>Total</b>	<b><u>61,854</u></b>

The Council fully complies with the International Accounting Standard (IAS 19) concerning the disclosure of information on the pension. IAS 19 states that although the pension benefits will not be paid until the employee retires, the Council has a commitment to make these payments and must disclose the cost of this in its accounts at the time employees earn their full entitlement.

The Council therefore recognises the cost of the pension commitment within the Comprehensive Income and Expenditure Account when the employees earn their pension entitlement rather than when the benefits are paid as pensions. However, the cost to the taxpayer is calculated on the basis of pension contributions paid in the year, the cost of retirement benefits under IAS19 is reversed out, to ensure there is no impact on the overall cost to be funded by council tax and government grants.

## Notes to the Financial Statements (Cont'd)

### Note 12 – Defined Benefit Pension Schemes (Cont'd)

#### 1) Local Government Pension Scheme

The following transactions have been made in the Comprehensive Income and Expenditure Account and Movement in Reserves Statement during the year:

2016/17 £000	2017/18 £000
<b>Net cost of services</b>	
22,986 Current service cost	32,619
2,039 Past service cost	636
<b>25,025</b>	<b>33,255</b>
<b>Financing and investment Income and Expenditure</b>	
5,462 Net interest expense	6,441
<b>30,487</b>	<b>39,696</b>
<b>Total post employment benefit charged to the Surplus or Deficit on the provision of Services</b>	
(119,376) Expected return on assets	4,638
0 Actuarial gains and losses arising from changes in demographic assumptions	(1,823)
194,636 Actuarial gains and losses arising from changes in financial assumptions	(42,982)
1,780 Actuarial gains and losses arising from experience assumptions	(149,602)
<b>107,527</b>	<b>(150,073)</b>
<b>Total post employment benefit charged to the comprehensive income and expenditure statement</b>	
<b>Movement in Reserves Statement</b>	
(30,487) Reversal of net charges made to surplus of deficit for post employment benefits	(39,696)
<b>Actual amount charged against the General Fund balance in the year</b>	
20,341 Employer contributions payable to Scheme	19,560

The underlying assets and liabilities for retirement benefits attributable to the Council as at 31 March are as follows:

2016/17 £000	2017/18 £000
747,597 Fair value of plan assets	764,680
(925,362) Present value of defined benefit obligations	(774,119)
<b>(177,765)</b>	<b>(9,439)</b>
<b>Net assets in the Strathclyde Pension Fund</b>	
<b>Present Value of Unfunded Liabilities</b>	
(28,355) LGPS Unfunded	(28,226)
(26,324) Teachers' pensions	(25,679)
(8,482) Pre Local Government Reorganisation	(7,949)
<b>(240,926)</b>	<b>(71,293)</b>
<b>Net pension asset/(liability)</b>	

## Notes to the Financial Statements (Cont'd)

### Note 12 – Defined Benefit Pension Schemes (Cont'd)

#### 1) Local Government Pension Scheme

The liabilities show the underlying commitments that the Council has in the long run to pay post-employment (retirement) benefits. The total liability of £71.293m has a substantial impact on the net worth of the Council as recorded in the Balance Sheet, resulting in an overall balance of £302.824m. However, the statutory arrangements for funding the deficit, means the financial position of the Council remains healthy.

The deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees (i.e. before payments fall due) as assessed by the scheme actuary. Finance is only required to be raised to cover discretionary benefits when the pensions are actually paid.

The scheme assets have increased by £0.017m. This is due to asset returns being more favourable than anticipated.

The estimated liabilities have decreased by £152.550m, due to financial assumptions as at 31 March 2018 being more favourable than they were at 31 March 2017, mainly due to the discount rate increasing to 2.7% (2016/17 2.6%).

#### 2) Pension Assets and Liabilities

Liabilities have been valued on an actuarial basis using the projected unit method which assesses the future liabilities of the fund discounted to their present value. The liabilities have been assessed by Hymans Robertson, an independent firm of actuaries, contracted by Glasgow City Council to provide all IAS19 calculations on behalf of the Councils within the Strathclyde Pension Fund. The funded obligation is noted below:

	%	Years
Active Members	51.7%	24.0
Deferred Members	9.7%	24.3
Pensioner Members	31.7%	13.2
Pre-Local Government Re-organisation Members	6.9%	10.4
	<b>100%</b>	<b>18.2</b>

The movement during the year on the defined obligation is noted as:

<b>2016/17</b>	<b>2017/18</b>
<b>£000</b>	<b>£000</b>
757,542 Opening balance	988,523
22,986 Current service cost	32,619
26,651 Interest cost	25,908
4,995 Contributions by Members	5,117
0 Actuarial gains/losses – change in demographic assumptions	(1,823)
194,636 Actuarial gains/losses – change in financial assumptions	(42,982)
1,780 Actuarial gains/losses – other experience	(149,602)
2,039 Past service costs/(gains)	636
(3,063) Estimated unfunded benefits paid	(2,892)
(19,043) Estimated benefits paid	(19,531)
<b>988,523 Closing Balance as at 31 March</b>	<b>835,973</b>

## Notes to the Financial Statements (Cont'd)

### Note 12 – Defined Benefit Pension Schemes (Cont'd)

#### 2) Pension Assets and Liabilities (Cont'd)

The movement during the year on the fair value of the employer's assets is:

2016/17 £000	2017/18 £000
603,802 Opening balance	747,597
119,376 Expected return on assets	(4,638)
21,189 Interest Income	19,467
4,995 Contributions by Members	5,117
17,278 Contributions by employer	16,668
3,063 Contributions in respect of unfunded benefits	2,892
(3,063) Estimated unfunded benefits paid	(2,892)
(19,043) Estimated benefit paid	(19,531)
<b>747,597 Closing Balance as at 31 March</b>	<b>764,680</b>

WDC Share of the pension fund asset at 31 March 2018 comprised :

2016/17			Asset Category	2017/18		
Quoted prices in Active Markets	Prices not quoted in Active Market	Total		Quoted prices in Active Markets	Prices not quoted in Active Market	Total
£000	£000	£000		£000	£000	£000
274,339	142	274,481	Equity Securities	208,024	11,590	219,614
0	7	7	Debt Securities	0	1	1
0	61,638	61,638	Private Equity	0	67,760	67,760
0	90,174	90,174	Real Estate	0	90,599	90,599
8,681	284,295	292,976	Investment funds and unit trusts	303,407	58,754	362,161
63	100	163	Derivatives	61	230	291
26,916	1,242	28,158	Cash and Cash Equivalent	0	24,254	24,254
<b>309,999</b>	<b>437,598</b>	<b>747,597</b>	<b>Totals</b>	<b>511,492</b>	<b>253,188</b>	<b>764,680</b>

As at 31 March 2018 assets are now held at bid value and the historic figures are at mid-market value.

#### Asset and Liability Matching Strategy (ALM)

The main fund of Strathclyde Pension Fund does not have an asset and liability matching strategy (ALM) as this is used mainly by mature funds. The Fund does match, to the extent possible, the types of assets invested to the liabilities in the defined benefit obligation. As is required by the pensions and investment regulations, the suitability of various types of investment has been considered, as has the need to diversify investments to reduce the risk of being invested into narrow a range. The Fund invests in equities, bonds, properties and in cash.

The Fund has now taken account of the national change to the Local Government Pension Scheme in Scotland such as the new career average revalued earning scheme (CARE) for future accruals.

The actuarial valuation states that assets held on the valuation date were sufficient to cover 91.47% (2016/17 75.63%) of accrued liabilities at that date.

## Notes to the Financial Statements (Cont'd)

### Note 12 – Defined Benefit Pension Schemes (Cont'd)

#### 2) Pension Assets and Liabilities (Cont'd)

##### Asset and Liability Matching Strategy (ALM) (Cont'd)

The principal actuarial assumptions used at the Balance Sheet date are as follows:

31/03/2017	31/03/2018
<b>Long term expected return on assets</b>	
2.40% Pension increase rate	2.40%
4.40% Salary Increase rate	3.60%
2.60% Discount rate	2.70%
 <u>Mortality</u>	
Based on these assumptions, the average future life expectancies at the age of 65 are:	
22.1 Current pensioners –Men	21.4
23.6 Current pensioners -Women	23.7
24.8 Future pensioners –Men	23.4
26.2 Future pensioners -Women	25.8

The above excludes any net pension liability that the Council may have to contribute to in respect of the Joint Boards of Partnership for Transport and Valuation. These costs are shown within each Joint Board's Balance Sheet and the Council may be required to make an increased constituent contribution in the years when the liability fails to be met.

The principal risks to the Council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund and Housing Revenue Account the amounts required by statute as described in the accounting policies note.

#### Sensitivity Analysis

In order to quantify the impact of a change in the financial assumptions used, the actuaries have calculated and compared the value of the scheme liabilities as at 31 March 2018 on varying bases. The approach taken is consistent with that adopted to derive at the IAS19 figures provided. To quantify the uncertainty around life expectancy, the actuaries have calculated the difference in cost to the employer of a one year increase in life expectancy. For sensitivity purposes, this is assumed to be an increase in the cost of benefits of around 3% to 5%. In practice the actual cost of a one year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominately apply at younger or older ages).

The figures have been derived based on the membership profile of the Employer as at the date of the most recent actuarial valuation.

The estimation of defined benefit obligation is sensitive to the actuarial assumptions. The sensitivity regarding the principal assumptions used to measure the schemes liabilities are set out below:

## Notes to the Financial Statements (Cont'd)

### Note 12 – Defined Benefit Pension Schemes (Cont'd)

#### 2) Pension Assets and Liabilities (Cont'd)

	Approximate % increase to Employer Liability	Approximate monetary Amount £000
Member life expectancy ( 1 year increase)	0%	0
Rate for discounting fund liabilities (0.5% decrease )	9%	76,132
Rate of pension increase (0.5% increase)	7%	58,800
Rate of increase in salaries (0.5% increase)	2%	15,837

The total contribution expected to be made to the Local Government pension scheme for 2018/19 is £16.524m.

### Note 13 – External Audit Costs

In 2017/18 the Council incurred £0.257m (2016/17 £0.257m) in respect of its external audit services undertaken in accordance with the Code of Audit Practice.

### Note 14 – Expenditure and Funding Analysis

The analysis of income and expenditure on the face of the comprehensive income and expenditure statement is that specified by the Service Reporting Code of Practice. However decisions about resource allocation are taken by the Council on the basis of reports that are prepared on a different basis from the accounting policies used in the financial statements. In particular:

- no charges are made in relation to capital expenditure (whereas depreciation, revaluation and impairment losses in excess of the balance on the revaluation reserve and amortisations are charged to services in the comprehensive income and expenditure statement); and
- the cost of retirement benefits is based on cash flows (payments of employer's pensions contributions) rather than current service cost of benefits accrued in the year.

The Council's income and expenditure as noted on the comprehensive income and expenditure statement analysis can also be given by nature of spend and is analysed as follows:

## Notes to the Financial Statements (Cont'd)

### Note 14 – Expenditure and Funding Analysis (Cont'd)

Re-stated 2016/17 £000		2017/18 £000
	<b>Expenditure</b>	
160,927	Employee benefits expenses	170,464
231,130	Other service expenses	231,095
3,179	Support service recharges	3,766
32,302	Depreciation, amortisation, impairment	37,678
24,745	Interest payments	25,532
2,554	Precepts and levies	2,481
(1,146)	Gain on the disposal of assets	595
<b>453,691</b>	<b>Total Expenditure</b>	<b>471,611</b>
	<b>Income</b>	
(210,865)	Fees, charges and other service income	(215,878)
(3,467)	Interest and investment income	(3,079)
(114,385)	Income from council tax and non-domestic rates	(109,926)
(112,538)	Government grants and contributions	(117,334)
<b>(441,255)</b>	<b>Total Income</b>	<b>(446,217)</b>
<b>12,436</b>	<b>Surplus / Deficit on the Provision of Services</b>	<b>25,394</b>



## Notes to the Financial Statements (Cont'd)

### Note 14 – Expenditure and Funding Analysis (Cont'd)

The income and expenditure of the Council's principal committee reporting structure recorded in the budget reports for the year is as follows:

Net Chargeable to the General Fund and HRA Balance £000	Adjustments between Funding and Accounting Basis £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000		Net Chargeable to the General Fund and HRA Balance £000	Adjustments between Funding and Accounting Basis £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000
19,853	3,900	23,753	Corporate Services	21,041	5,155	26,196
79,519	11,124	90,643	Education	76,590	18,367	94,957
29,497	2,720	32,217	Infrastructure, Regeneration and Economic Development	29,079	10,802	39,881
4,084	676	4,760	Housing and Communities	3,104	1,856	4,960
(18,617)	15,772	(2,845)	Housing Revenue Account	(18,857)	10,030	(8,827)
(3,687)	2,093	(1,594)	Miscellaneous Services	1,739	1,021	2,760
61,515	4,641	66,156	Health and Social Care Partnership	60,547	6,474	67,021
2,621	0	2,621	Requisitions	2,481	0	2,481
<b>174,785</b>	<b>40,926</b>	<b>215,711</b>	<b>Net Cost of Services</b>	<b>175,724</b>	<b>53,705</b>	<b>229,429</b>
(177,446)	(25,829)	(203,275)	Other Income and Expenditure	(174,078)	(29,957)	(204,035)
<b>(2,661)</b>	<b>15,097</b>	<b>12,436</b>	<b>Surplus or Deficit on Provision of Service</b>	<b>1,646</b>	<b>23,748</b>	<b>25,394</b>
			Opening General Fund and HRA Balance as at 31 March 2017	(20,081)		
(17,420)			<b>Closing General Fund and HRA Balance as at 31 March 2018</b>	<b>(18,435)</b>		
<b>(20,081)</b>						

## Notes to the Financial Statements (Cont'd)

### Note 14 – Expenditure and Funding Analysis (Cont'd)

<u>2016/17 (Re-stated)</u>				<u>2017/18</u>			
Adjustments for Capital Purposes £000	Net Change for the Pension Adjustment £000	Other differences £000	Total £000	Adjustments for Capital Purposes £000	Net Change for the Pension Adjustment £000	Other differences £000	Total £000
2,853	1,047	0	<b>3,900</b>	2,588	2,567	0	<b>5,155</b>
9,622	1,666	(164)	<b>11,124</b>	16,408	2,643	(684)	<b>18,367</b>
1,413	1,307	0	<b>2,720</b>	7,806	2,996	0	<b>10,802</b>
0	676	0	<b>676</b>	0	1,856	0	<b>1,856</b>
15,571	202	(1)	<b>15,772</b>	9,428	589	13	<b>10,030</b>
3	2,200	(110)	<b>2,093</b>	1	909	111	<b>1,021</b>
2,841	1,800	0	<b>4,641</b>	1,447	5,027	0	<b>6,474</b>
0	0	0	<b>0</b>	0	0	0	<b>0</b>
<b>32,303</b>	<b>8,898</b>	<b>(275)</b>	<b>40,926</b>	<b>37,678</b>	<b>16,587</b>	<b>(560)</b>	<b>53,705</b>
			<b>Net Cost of Services</b>				

## Notes to the Financial Statements (Cont'd)

### Note 15 – Property, Plant and Equipment

#### 1) Movements in 2017/18

	Council dwellings £000	Other Land & buildings £000	Industrial Units £000	Vehicles & Plant £000	Infrastructure £000	Community £000	Surplus Assets £000	Assets Under Construction £000	Property Plant & Equipment £000
<b>Cost/Valuation at 1 April 2017</b>	<b>403,535</b>	<b>427,482</b>	<b>48,770</b>	<b>50,374</b>	<b>102,852</b>	<b>2,340</b>	<b>10,780</b>	<b>28,671</b>	<b>1,074,804</b>
Adjustments	0	(107,790)	(1,233)	(27,258)	(768)	0	(215)	(49)	(137,313)
<b>Revised Cost/Valuation at 1 April 2017</b>	<b>403,535</b>	<b>319,692</b>	<b>47,537</b>	<b>23,116</b>	<b>102,084</b>	<b>2,340</b>	<b>10,565</b>	<b>28,622</b>	<b>937,491</b>
Additions	14,737	40,394	100	2,836	3,610	413	304	26,201	88,595
Revaluations:									
- To Revaluation Reserve	10,512	3,243	(1,714)	0	0	5	(40)	(291)	11,715
- To Net cost of Service	0	(7,249)	(440)	0	0	0	1,040	(155)	(6,804)
Disposals	(2,824)	(64)	(7)	0	0	(5)	(1,505)	0	(4,405)
Assets reclassified to/from Held for Sale	0	0	0	0	0	0	(244)	0	(244)
Other Movements	0	14,062	(106)	0	0	0	0	(14,062)	(106)
<b>As at 31 March 2018</b>	<b>425,960</b>	<b>370,078</b>	<b>45,370</b>	<b>25,952</b>	<b>105,694</b>	<b>2,753</b>	<b>10,120</b>	<b>40,315</b>	<b>1,026,242</b>
<b>Depreciation/Impairment at 1 April 2017</b>	<b>(16,153)</b>	<b>(149,932)</b>	<b>(3,728)</b>	<b>(37,947)</b>	<b>(39,347)</b>	<b>(1,566)</b>	<b>(311)</b>	<b>(49)</b>	<b>(249,033)</b>
Adjustments	0	107,790	1,233	27,258	768	0	215	49	137,313
<b>Revised Depreciation/Impairment at 1 April 2017</b>	<b>(16,153)</b>	<b>(42,142)</b>	<b>(2,495)</b>	<b>(10,689)</b>	<b>(38,579)</b>	<b>(1,566)</b>	<b>(96)</b>	<b>0</b>	<b>(111,720)</b>
Depreciation charge	(9,376)	(14,367)	(407)	(3,154)	(5,102)	0	(6)	0	(32,412)
Depreciation:									
- To Revaluation Reserve	0	907	2,168	0	0	0	6	0	3,081
- To Net Cost of Service	0	98	228	0	0	0	0	0	326
Impairments:									
- To Revaluation Reserve	(10,059)	(2,942)	(261)	0	0	0	0	0	(13,262)
- To Net Cost of Service	0	884	(113)	0	0	0	25	0	796
<b>As At 31 March 2018</b>	<b>(35,588)</b>	<b>(57,562)</b>	<b>(880)</b>	<b>(13,843)</b>	<b>(43,681)</b>	<b>(1,566)</b>	<b>(71)</b>	<b>0</b>	<b>(153,191)</b>
<b>Net Book Value at 31 March 2017</b>	<b>387,382</b>	<b>277,550</b>	<b>45,042</b>	<b>12,427</b>	<b>63,505</b>	<b>774</b>	<b>10,469</b>	<b>28,622</b>	<b>825,771</b>
<b>Net Book Value at 31 March 2018</b>	<b>390,372</b>	<b>312,516</b>	<b>44,490</b>	<b>12,109</b>	<b>62,013</b>	<b>1,187</b>	<b>10,049</b>	<b>40,315</b>	<b>873,051</b>

## Notes to the Financial Statements (Cont'd)

### Note 15 – Property, Plant and Equipment (Cont'd)

#### 2) Movements in 2016/17

	Council dwellings £000	Other Land & buildings £000	Industrial Units £000	Vehicles & Plant £000	Infrastructure £000	Community £000	Surplus Assets £000	Assets Under Construction £000	Property Plant & Equipment £000
<b>Cost/Valuation at 1 April 2016</b>	<b>450,362</b>	<b>359,611</b>	<b>48,653</b>	<b>47,642</b>	<b>97,947</b>	<b>1,563</b>	<b>9,112</b>	<b>36,829</b>	<b>1,051,719</b>
Additions	16,639	38,865	35	2,732	4,905	31	1,898	19,265	84,370
Revaluations:									
- To Revaluation Reserve	(59,555)	3,641	286	0	0	2	(33)	0	(55,659)
- To Net cost of Service	0	(526)	(16)	0	0	(1)	2,469	(22)	1,904
Disposals	(3,911)	0	(241)	0	0	0	0	0	(4,152)
Assets reclassified to/from Held for Sale	0	(593)	0	0	0	0	(2,845)	0	(3,438)
Other Movements	0	26,484	53	0	0	745	179	(27,401)	60
<b>As at 31 March 2017</b>	<b>403,535</b>	<b>427,482</b>	<b>48,770</b>	<b>50,374</b>	<b>102,852</b>	<b>2,340</b>	<b>10,780</b>	<b>28,671</b>	<b>1,074,804</b>
<b>Depreciation/Impairment at 1 April 2016</b>	<b>(79,171)</b>	<b>(139,539)</b>	<b>(3,313)</b>	<b>(34,543)</b>	<b>(34,499)</b>	<b>0</b>	<b>(303)</b>	<b>(49)</b>	<b>(291,417)</b>
Depreciation charge	(15,524)	(10,513)	(415)	(3,404)	(4,848)	0	0	0	(34,704)
Depreciation:									
- To Revaluation Reserve	60,729	1,394	0	0	0	0	(4)	0	62,119
Impairments:									
- To Revaluation Reserve	17,813	0	0	0	0	0	0	0	17,813
- To Net Cost of Service	0	(1,274)	0	0	0	(1,566)	(4)	0	(2,844)
<b>As At 31 March 2017</b>	<b>(16,153)</b>	<b>(149,932)</b>	<b>(3,728)</b>	<b>(37,947)</b>	<b>(39,347)</b>	<b>(1,566)</b>	<b>(311)</b>	<b>(49)</b>	<b>(249,033)</b>
<b>Net Book Value at 31 March 2016</b>	<b>371,191</b>	<b>220,072</b>	<b>45,340</b>	<b>13,099</b>	<b>63,448</b>	<b>1,563</b>	<b>8,809</b>	<b>36,780</b>	<b>760,302</b>
<b>Net Book Value at 31 March 2017</b>	<b>387,382</b>	<b>277,550</b>	<b>45,042</b>	<b>12,427</b>	<b>63,505</b>	<b>774</b>	<b>10,469</b>	<b>28,622</b>	<b>825,771</b>

## Notes to the Financial Statements (Cont'd)

### Note 15 – Property, Plant and Equipment (Cont'd)

#### 3) Capital Commitments

As at 31 March 2018, the Council has commitments on capital contracts for the construction or enhancement of property, plant and equipment for non housing and housing projects in 2017/18 budgeted to cost £13.753m (2016/17 £25.931m) and £0.839m (2016/17 £1.519m) respectively. The main commitments are:

<b>General Services</b>	<b>£000</b>
Bellsmyre Primary School Campus	445
Our Lady and St Patrick's High School	220
Balloch Schools Campus	426
Kilpatrick ASN Secondary School	200
Replacement of Elderly Care Homes and Day Care Centres	295
Clydebank Leisure Centre	377
Office Rationalisation - New Dumbarton Office	651
Clydebank Community Sports Hub	2,446
Exxon Infrastructure Project - alternative A82 route	1,350
Queens Quay District Heating	1,450
Integrated Housing Management System	475
Levensgrove Park Restoration	2,600
Building Upgrades - Glencairn House - Wind & Watertight	250
Building Upgrades - Lomond Trade Centre - New Roof	260
Clydebank Library Upgrade	450
Ferryfield Early Education & Child Care - provision of family room	256
Local Economic Development - Mitchell Way Redevelopment	321
ICT Modernisation and Security	359
<b>HRA</b>	
External Render, New Roof, Risk Street, Dumbarton	223
New Council House Build Programme	375

## Notes to the Financial Statements (Cont'd)

### Note 15 – Property, Plant and Equipment (Cont'd)

#### 4) PPP Assets Included in Property, Plant and Equipment

2016/17 £000	2017/18 £000
<b>Cost or Valuation</b>	
87,563 At 1 April 2017	87,563
Revaluations	
0 To Revaluation Reserve	0
0 Additions	0
<b>87,563 At 31 March 2018</b>	<b>87,563</b>
<b>Accumulated Depreciation and Impairment</b>	
(11,683) At 1 April 2017	(15,274)
(3,591) Depreciation Charge	(4,230)
Depreciation written out	
0 To revaluation reserve	0
0 Impairment losses/(reversals) recognised	0
<b>(15,274) At 31 March 2018</b>	<b>(19,504)</b>
<b>75,880 Opening Net Book value</b>	<b>72,289</b>
<b>72,289 Closing Net Book value</b>	<b>68,059</b>

- 5) The Council measures its surplus assets at fair value at each reporting date (the Council does not hold investment properties). The fair value of surplus assets have been based on the market value approach using current market conditions and recent sales prices and other relevant information for similar assets in the West Dunbartonshire area together with evidence across the wider West of Scotland. Market conditions are such that similar properties are marketed, purchased and sold actively and the level of observable inputs are sufficient, leading to the properties being categorised at Level 2 in the fair value hierarchy.

There were no transfers between Levels 1 and 2 during the year and there have been no changes in the valuation techniques used during the year for surplus assets

### Note 16 – Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g. computer software and/or software licences) is capitalised when it is expected that future economic or service benefits will flow from the asset to the Council.

The Council accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of property, plant and equipment. The intangible assets include purchased licences.

Where appropriate, the carrying amount of intangible assets is amortised on a straight line basis. The amortisation of £0.010m charged to revenue in 2017/18 was charged to Information Services. The charge to Information Services is then absorbed as an overhead across all the service headings in the Net Cost of services. It is not possible to quantify exactly how much of the amortisation is attributable to each service heading.

The movement on intangible asset during the year was as follows:

## Notes to the Financial Statements (Cont'd)

### Note 16 – Intangible Assets (cont'd)

2016/17 £000		2017/18 £000
	<b>Balance at 1 April 2017</b>	
346	Gross carrying amount	346
(301)	Accumulated amortisation	(317)
<u>45</u>	<b>Net carrying amount at start of year</b>	<u>29</u>
(16)	Amortisation for period	(10)
<u>29</u>	<b>Net carrying amount at 31 March 2018</b>	<u>19</u>
	<b>Comprising:</b>	
346	Gross Carrying amounts	346
(317)	Accumulated amortisation	(327)
<u>29</u>		<u>19</u>

### Note 17 – Assets Held for Sale

Assets held for sale are those where the carrying amount will be recovered principally through a sale transaction rather than through continued use. Before an asset can be classified as held for sale, the following conditions must be met:

- the asset must be available for immediate sale in its present condition;
- the sale must be highly probable and an active programme to locate a buyer and complete the plan must have been initiated;
- the asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value; and
- the sale should be expected to qualify for recognition as a completed sale within one year of the date of classification.

The Council measures its non-current assets held for sale at fair value at each reporting date. The fair value of non-current assets held for sale have been based on the market value approach using current market conditions and recent sales prices and other relevant information for similar assets in the West Dunbartonshire area together with evidence across the wider West of Scotland. Market conditions are such that similar properties are marketed, purchased and sold actively and the level of observable inputs are sufficient, leading to the properties being categorised at Level 2 in the fair value hierarchy.

There were no transfers between Levels 1 and 2 during the year and there have been no changes in the valuation techniques used during the year for non-current assets held for sale.

The movement on assets held for sale during the year was as follows:

2016/17 £000		2017/18 £000
<b>653</b>	<b>Balance at 1 April 2017</b>	<b>7,345</b>
0	Assets newly classified as held for sale	
3,488	Property, Plant and Equipment	244
0	Revaluation Losses	(695)
3,407	Revaluation Gains	2,175
	Assets declassified as held for sale*:-	
(203)	Property, Plant and Equipment	0
<u><b>7,345</b></u>	<b>As at 31 March 2017</b>	<u><b>9,069</b></u>

\*All assets values listed are in respect of Property, Plant and Equipment

## Notes to the Financial Statements (Cont'd)

### Note 18 - Heritage Assets

Heritage assets are both tangible and intangible assets with historic, artistic, scientific, technological, geographical or environmental qualities, which are held and maintained primarily for their contribution to knowledge and culture. The authority holds heritage assets of six main types:

- Models of Ships;
- Works of Art;
- Silver and Commemorative Ware;
- Civic Regalia (Robes and Chains);
- Sewing Machine Collections; and
- Listed Buildings and Scheduled Ancient Monuments.

The valuation of these assets held on the balance sheet as detailed below:

2016/17		2017/18
£000		£000
1,406	<b>Balance at 1 April 2017</b>	1,406
0	Additions/ Disposals / Newly Classified	0
<u>1,406</u>	<b>Balance at 31 March 2018</b>	<u>1,406</u>

The models of ships, works of art, silver and commemorative ware, civic regalia and sewing machine collections are the responsibility of the Libraries and Museums Service and accounts for approximately 90% of the overall collection with the remaining 10% being recorded and accessioned into the collection on a regular basis in line with museum accreditation. These works are held at the following locations:

- Collections Store, Poplar Road
- Collections Store, Stanford Street; and
- Clydebank Town Hall.

**Models of Ships** - include MV Rangitane, MV Essex and HMS Vanguard.

**Works of Art** - there are 474 paintings within the works of art collection.

**Civic Regalia** - predominately relates to the collection of provost robes and chains of office. It would be relatively rare for the authority to purchase, or dispose of, items of civic regalia.

**Sewing Machine Collection** - there are 813 sewing machines (of various models) included within the sewing machine collection.

**Listed Buildings and Scheduled Ancient Monuments** - the Council holds and maintains listed buildings and ancient monuments of historic significance, many of which are tributes to the war dead. As well as memorial structures and buildings, The Council maintains statues and fountains.

### Note 19 – Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the following table (including the value of assets acquired under finance leases and PPP contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the capital financing requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The CFR is analysed in the second part of this note.



## Notes to the Financial Statements (Cont'd)

### Note 19 – Capital Expenditure and Capital Financing (Cont'd)

31-Mar-17 £000	31-Mar-18 £000
<b>412,449 Opening Capital Financing Requirement</b>	<b>464,275</b>
<b>Capital Investment</b>	
84,370 Property, Plant and Equipment	88,594
<b>84,370</b>	<b>88,594</b>
<b>Less Sources of Finance</b>	
5,451 Receipts from sale of assets	3,810
8,213 Government Grants and other Contributions	13,322
5,910 Revenue Contributions	7,588
12,970 Loan Fund Principal Repayments	13,800
<b>32,544</b>	<b>38,520</b>
<b>464,275 Closing Capital Financing Requirement</b>	<b>514,349</b>
0 Increase in Underlying Need to Borrow (Supported)	0
51,826 Increase in Underlying Need to Borrow (Unsupported)	50,074
<b>51,826 Movement in Capital Financing Requirement</b>	<b>50,074</b>

### Note 20 – Impairment Losses

Assets are assessed at the end of each financial year for evidence in impairment or a reduction in value. Where indications exist and any possible differences are estimated to be material, the recoverable amount on the asset is estimated and where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

During 2017/18, the Council has recognised impairment losses of £14.991m (2016/17 £2.844m) relating to non-value adding enhancement of various assets. These impairment losses have been charged as appropriate within the Comprehensive Income and Expenditure Statement and the Revaluation Reserve.

### Note 21 – Private Finance Initiatives and Similar Contracts

#### Schools PPP Scheme and Long Term Liability (Design, Build, Finance and Maintain (DBFM) Scheme)

2017/18 was the ninth year of a thirty year public private partnership for provision of three secondary schools and one primary school in Clydebank and Alexandria. 2017/18 was the first year of a twenty-five year DBFM partnership for the provision of one secondary school in Dumbarton.

The Council has rights to use the schools for core educational purposes between agreed hours. The contract specifies minimum standards for the services to be provided by the contractor, with deductions from the fee payable being made if facilities are unavailable or performance is below the minimum standards.

The partnership agreement was for the design, build, finance and operation of the schools which means that the contractor took on the obligation to construct the schools and maintain them in a minimum acceptable condition and to procure and maintain the plant and equipment need to operate the schools. When the agreement ends, after thirty years, unrestricted use and operation of the buildings will be handed back to the Council at nil cost.

The Termination rights are in line with the market norms reflected in the Scottish Standard Schools Contract, as approved by the Scottish Government, prior to financial close.

## Notes to the Financial Statements (Cont'd)

### Note 21 – Private Finance Initiatives and Similar Contracts (Cont'd)

#### Property, Plant and Equipment

The school buildings are recognised on the Council's balance sheet within property, plant and equipment balance. Movements in their value over the year are detailed in the analysis of the movement on the Property, Plant and Equipment balance in note 15.

#### Payments

The amounts payable to the PPP and DBFM operators each year is analysed into five elements:

- fair value of the services received during the year;
- finance cost – an interest charge on the outstanding Balance Sheet liability;
- contingent rent – increases in the amount to be paid for the property arising during contract;
- payment towards the liability – applied to write down the Balance Sheet liability towards the PPP contractor; and
- lifecycle replacement costs – proportion of the amounts payable posted to the Balance Sheet as a prepayment and then recognised as additions to property, plant and equipment when the relevant work is carried out.

Payments remaining to be made under the PPP and DBFM contracts at 31 March 2018 (excluding any estimation of inflation and availability/performance deductions) are as follows:

	<b>Repayment of Liability £000</b>	<b>Interest Charges £000</b>	<b>Operating Costs £000</b>	<b>Lifecycle Replacement £000</b>	<b>Total Unitary Payment £000</b>
Less than 1 year	2,713	7,598	2,715	933	<b>13,959</b>
2-5 years	13,790	28,108	12,015	3,411	<b>57,324</b>
6-10 years	20,488	29,244	18,238	7,240	<b>75,210</b>
11-15 years	21,944	21,495	22,250	13,710	<b>79,399</b>
16-20 years	33,256	12,231	27,419	13,641	<b>86,547</b>
21-25 years	13,723	1,379	8,429	4,413	<b>27,944</b>
26-30 years	0	0	0	0	<b>0</b>
<b>PPP Contractual Liability as at 31.03.18</b>	<b>105,914</b>	<b>100,055</b>	<b>91,066</b>	<b>43,348</b>	<b>340,383</b>

Although the payments made to the contractor are described as unitary charge payments, they have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and interest payable whilst the capital expenditure remains to be reimbursed. The liability outstanding to be paid to the contractor for capital expenditure incurred is as follows:

<b>2016/17 £000</b>	<b>2017/18 £000</b>
86,296 Opening Balance	84,316
0 New Liabilities	24,231
(1,980) Repayments	(2,633)
<b><u>84,316</u></b> Closing Balance	<b><u>105,914</u></b>

## Notes to the Financial Statements (Cont'd)

### Note 22 – Debtors

2016/17 £000	2016/17 £000		2017/18 £000	2017/18 £000
		<b>Central government bodies</b>		
23		Grant Income	86	
4,636		VAT Recoverable	4,733	
<u>3,881</u>	8,540	Other Debtors	<u>3,903</u>	8,722
		674 Other local authorities		849
		17 NHS Bodies		16
		305 Public Corporations and trading funds		49
		<b>Other Entities and individuals</b>		
10,890		Arrears of local taxation	11,422	
<u>15,630</u>	26,520	Other Debtors	<u>16,256</u>	27,678
	<b>36,056</b>			<b>37,314</b>

### Note 23 – Net Cash Outflows from Operating, Financing and Investing Activities

2016/17 £000	2017/18 £000
<b>12,436 Net deficit on the Provision of Services</b>	<b>25,394</b>
<b>Adjustments to net deficit on the provision of services for non-cash movements</b>	
(32,301) Depreciation, amortisation and impairment	(37,678)
1,146 Net gain on fixed assets	(4,405)
(10,146) Movement in pension liabilities	(20,136)
224 Movement in inventories	(190)
1,756 Movement in debtors	2,465
2,438 Movement in creditors and provisions	(69)
(597) Other non-cash movements	(330)
<u>(37,480)</u>	<u>(60,343)</u>
<b>Adjustments for items included in the net surplus/deficit on the provision of services that are investing and financing activities</b>	
17 Financing movements	(58)
8,124 Investing movements	13,169
<u>8,141</u>	<u>13,111</u>
<b>(16,903) Net cash flow from Operating Activities</b>	<b>(21,838)</b>
86,112 Purchase of property, plant and equipment and intangible assets	66,554
(5,451) Proceeds from sale of property, plant and equipment and intangible assets	(3,813)
(10,063) Other receipts from investing activities	(10,791)
<u>70,598 Net cash outflows from investing activities</u>	<u>51,950</u>
(144,709) Cash receipts of short-term and long-term borrowing	(198,200)
1,980 Repayment of PPP liabilities	2,633
87,291 Repayment of short-term and long-term borrowing	152,433
<u>(55,438) Net cash inflows from financing activities</u>	<u>(43,134)</u>

## Notes to the Financial Statements (Cont'd)

### Note 24 – Net Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Cash equivalents are investments that mature in three months or less from date of acquisition and that are readily convertible to known cash amounts, with insignificant risk of change of value. The investments comprise solely of short term lending of surplus funds to a limited number of pre-approved UK banks and other local authorities. All deposits are held in sterling. The carrying amount is the outstanding principal receivable. Bank balances are included in the Balance Sheet at the closing balance in the Council's ledger and include cheques payable not yet cashed.

<b>Cash and Cash Equivalents</b>	<b>31-Mar-17</b>	<b>Movement</b>	<b>31-Mar-18</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Bank Current Account	106	(1,778)	(1,672)
Short term deposits with UK banks	9,206	14,800	24,006
<b>Total Cash and Cash equivalents</b>	<b>9,312</b>	<b>13,022</b>	<b>22,334</b>

### Note 25 – Financial Instruments

#### 1) Types of Financial Instrument

Accounting regulations require the “financial instruments” (investment, lending and borrowing of the Council) shown on the Balance Sheet to be further analysed into various defined categories. The investments, lending and borrowing disclosed in the Balance Sheet are made up of the following categories of “financial instruments”:

	<b>Long-term</b>		<b>Current</b>	
	<b>31-Mar-17</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>	<b>31-Mar-18</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Debtors</b>				
Loans and receivables	45	34	37,196	54,155
<b>Borrowing</b>				
Financial liabilities at amortised cost	228,095	260,000	158,119	175,550
<b>Other long term liabilities</b>				
PPP and finance leases	82,160	103,201	2,156	2,713
<b>Creditors</b>				
Financial liabilities at contract amount	0	0	36,317	33,558

The Council does not have any of the following types of investments or borrowings:

- available for sale financial assets;
- unquoted equity investments at cost;
- financial assets at fair value through profit and loss; or
- financial liabilities at fair value through profit and loss.

The Council has considered the Code requirements for accounting for financial instruments and the following events have not taken place in 2017/18:

- reclassification of financial assets carrying value between fair value and amortised cost;
- transfer of financial assets where part or all of the financial assets does not qualify for de-recognition;
- pledging of financial assets as collateral or liabilities or contingent liabilities, as a result no carrying or fair value exists;
- recording of impairment losses in a separate account which would require a reconciliation of changes during the year;
- default on any loans payable during 2017/18;
- breaches of long term loan agreements resulting in the liability being classed as current; or

## Notes to the Financial Statements (Cont'd)

### Note 25 – Financial Instruments (Cont'd)

#### 1) Types of Financial Instrument (Cont'd)

- offsetting of financial assets and liabilities where a legally enforceable right exists and intent to settle is on net basis.

The Council has considered the Code requirements for accounting for financial instruments and the following disclosures are consistent with the Code:

- current liabilities are recognised as such even if refinanced post balance sheet or original term greater than twelve months; and
- if the Council has the discretion (contractually) and expects to roll forward current liabilities for over twelve months, then the obligation can be treated as long term.

#### 2) Fair Value of Assets and Liabilities carried at Amortised Cost

Financial assets (represented by lending and receivables) and financial liabilities (represented by borrowings) and are carried in the Balance Sheet at amortised cost. Fair values have been calculated with reference to the following:

##### Financial Liabilities

- PWLB Loans (Level 2) - For loans from the PWLB premature repayment rates from the PWLB in force on 31 March 2018 have been applied to provide the fair value under PWLB debt redemption procedures. As the Debt Management Office provides a transparent approach allowing the exit cost to be calculated without undertaking a repayment or transfer it is appropriate to disclose the exit price. As an alternative, we have assessed the cost of taking a new loan at PWLB new loan rates applicable to existing loans on Balance Sheet date (which could be viewed as a proxy for transfer value).
- Non-PWLB loans (Level 2) - For non-PWLB loans payable, the fair value of market loans are calculated using estimated interest rates of 1.41% which is the average discount rate applied to market loans for calculation of premature repayment. The fair value of local Council loans are calculated using estimated interest rates of 0.32% which is the average discount rate applied to local Council loans for calculation of premature repayment. Discount rates have been applied to provide the fair value under PWLB debt redemption procedures.
- PFI/Finance leases (Level 3) – These are not the liability of the Council as the debt is held by the PFI/lease provider. Fair value have been calculated at level 3 on a simple proxy basis. The same NPV methodology has been applied as for PWLB and non-PWLB debt.

##### Financial Assets

- Fixed or variable short term deposits of less than a year (including MMF's) – Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount.

##### Policy Type Assets

- Long term debtors – Level 2.

##### Creditors

- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

##### Transfers between Levels of the Fair Value Hierarchy

- There were no transfers between input levels 1 and 2 or transfers in or out of level 3 during the year.

##### Changes in the Valuation Technique

- There has been no change in the valuation technique used during the year for the financial instruments:

31-Mar-17		31-Mar-18	
Carrying Amount	Fair Value	Carrying Amount	Fair Value
£000	£000 Debtors	£000	£000
37,241	37,241	54,188	54,188
	Loans and Receivables		

## Notes to the Financial Statements (Cont'd)

### Note 25 – Financial Instruments (Cont'd)

#### 2) Fair Value of Assets and Liabilities carried at Amortised Cost (cont'd)

The fair value is equal to the carrying amount because all loans and receivables are either short term or at a fixed interest rate or a variable rate linked to base rate without significant transaction costs. The Council does not hold any equity investments in an unquoted market and, therefore, this type of investment is excluded from the above table.

31-Mar-17		31-Mar-18	
Carrying Amount	Fair Value	Carrying Amount	Fair Value
£000	£000	£000	£000
<b>Borrowing</b>			
386,214	532,346	Financial liabilities	435,550 606,412
<b>Other Long Term Liabilities</b>			
84,316	156,101	PPP and Finance Lease Liabilities	105,914 185,010
<b>Creditors</b>			
36,317	36,317	Financial liabilities at contract amount	33,558 33,558

The fair value is higher than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the rates available for similar loans at the balance sheet date. The commitment to pay interest above current market rates increases the amount that the Council would have to pay if the lender requested or agreed to early repayment of the loans.

The increase in the fair value as at 31 March 2018 compared to 2017 is due to the volatility in the market which has affected the shape of the yield with downward pressure on rates which has had an effect on the cost of prematurely repaying debt.

#### 3) Gains and Losses on Financial Instruments

The gains and losses recognised in the Comprehensive Income and Expenditure Account in relation to financial instruments are made up as follows:

	31-Mar-17			31-Mar-18		
	Financial Assets: Loans & receivables	Financial Liabilities: amortised cost	Total	Financial Assets: Loans & receivables	Financial Liabilities: amortised cost	Total
	£000	£000	£000	£000	£000	£000
Interest (investment)	177	0	177	320	0	320
Interest payable and similar charges						
Interest/expense*	0	(19,283)	(19,283)	0	(19,268)	(19,268)
Loss on de-recognition	0	(17)	(17)	0	(58)	(58)
<b>Net (Gain)/loss in year</b>	<b>0</b>	<b>(19,300)</b>	<b>(19,300)</b>	<b>0</b>	<b>(19,326)</b>	<b>(19,326)</b>

\* Interest/Expense has been calculated on an EIR basis where appropriate for market instruments.

There has been no gain/loss on either of the following classes of financial instruments, as the Council does not own them:

- available for sale financial assets; and
- financial assets or liabilities at a fair value through profit and loss.

## Notes to the Financial Statements (Cont'd)

### Note 25 – Financial Instruments (Cont'd)

#### 4) Nature and Extent of Risks arising from Financial Instruments

The Council's management of treasury risks actively works to minimise the Council's exposure to the unpredictability of financial markets and implementing restrictions to minimise these risks. The procedures for risk management are set out through a legal framework in the Local Government (Scotland) Act 2003 and the associated regulations. During 2017/18 these required the Council to comply with the CIPFA Prudential Code, the CIPFA Treasury Management in the Public Services Code of Practice and the Local Government Investments (Scotland) Regulations 2010. Overall these procedures require the Council to manage risk in the following ways:

- (i) by formally adopting the requirements of the Code of Practice;
- (ii) by the adoption of a Treasury Policy Statement and treasury management clauses within its financial regulations/standing orders;
- (iii) by approving annually in advance prudential and treasury indicators for the following three years in limiting:
  - The Council's overall borrowing;
  - Its maximum and minimum exposures to fixed and variable rates;
  - Its maximum and minimum exposures regarding the maturity structure of debt; and
  - Its maximum annual exposure to investments maturing beyond a year.
- (iv) by approving an investment strategy for the forthcoming year setting out its criteria for both investing and selecting investment.

These are required to be reported and approved prior to the start of the year to which they relate. These items are reported with the annual treasury management strategy which outlines the detailed approach to managing risk in relation to the Council's financial instrument exposure. Actual performance is reported to Members to assess the effectiveness of controls established.

The 2017/18 annual Treasury Management Strategy which incorporates the prudential indicators was approved by Council on 22 February 2017 and is available on the Council website. The key issues within the strategy were:

- the authorised limit for 2017/18 was set at £636.138m. This is the maximum limit of external borrowing;
- the operational boundary was expected to be £538.127m. This is the expected level of debt during the year;
- the maximum amounts of fixed and variable interest rate exposure were set at 100% and 50% based on the Council's net debt; and
- the maximum exposures to the maturity structure of debt is detailed with refinancing and maturity risk.

The Council has fully adopted all required CIPFA Codes and statutory regulation currently in force, and maintains written principles for overall risk management, as well as written policies and procedures covering specific areas such as credit risk, liquidity risk, refinancing/maturity risk and market risk.

#### Credit Risk

Credit risk arises from the short-term lending of surplus funds to banks, building societies and other local authorities as well as credit exposures to the Council's customers. It is the policy of the Council to place deposits only with a limited number of pre approved UK banks and building societies whose credit rating is independently assessed as sufficiently secure by the Council's treasury advisers and to restrict lending to a prudent maximum amount for each institution.

## Notes to the Financial Statements (Cont'd)

### Note 25 – Financial Instruments (Cont'd)

#### 4) Nature and Extent of Risks arising from Financial Instruments (Cont'd)

##### Credit Risk (Cont'd)

The Council's maximum exposure to credit risk in relation to investments in banks and building societies of £25.412m cannot be assessed on a general basis as the risk of any institution failing to make interest payments or repay principle sums is specific to each individual institution, however, recent experience has shown that the institutions invested in at the year end are unlikely to default on their commitments. A risk of irrecoverability applies to all of the Council's deposits but there was no evidence at 31 March 2018 that this was likely to happen.

The following analysis summarises the Council's maximum exposure to credit risk on other financial assets, based on past experience and current market conditions.

	Amount at 31.03.18	Historical experience of non-payment adjusted for market conditions at 31.03.18	Estimated maximum exposure to default and uncollectibility
	£000	%	£000
Customers and other income	27,316	5.27	1,391

The Council does not hold any of the following in relation to financial assets:

- collateral as security in case of default of investment; or
- financial assets that would otherwise be past due or impaired but have been renegotiated.

The Council does not generally allow credit for customers, such that £10.172m is past its due date for payment. The past due amount can be analysed by age as follows:

	£000
Less than three months	2,299
Three to six months	346
Six months to one year	1,824
More than one year	5,703
	<u>10,172</u>

Provisions are made in accordance with Code Guidance, whereby a judgement is made regarding the probability of collection for each category of debt. This judgement is based upon the past experience of collecting each category of debt to calculate the appropriate percentage of each debt that may not be eventually recovered.

No financial assets have been individually determined to be impaired and no collateral is held on past due or impaired financial assets, therefore the Council has not obtained financial or non financial assets during the financial year by taking possession of any collateral or calling on other credit enhancements.

##### Liquidity risk

The Council manages its liquidity position through the risk management procedures noted above (i.e. the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports), as well as through a comprehensive cash flow forecast management system, as required by the CIPFA Code of Practice. This seeks to ensure that cash is available when it is needed.



## Notes to the Financial Statements (Cont'd)

### Note 25 – Financial Instruments (Cont'd)

#### 4) Nature and Extent of Risks arising from Financial Instruments (Cont'd)

##### Liquidity risk (Cont'd)

The Council has ready access to borrowing from the Money Markets to cover any day to day cash flow need if required. The Council is required to provide a balanced budget through the Local Government Finance Act 1992, which ensures that sufficient funds are raised to cover annual expenditure. There is, therefore, no significant risk that the Council will be unable to raise finance to meet its commitments under financial instruments.

##### Refinancing and Maturity Risk

The Council maintains a significant debt portfolio and whilst the cash flow procedures above are considered against the refinancing risk procedures, longer term risk to the Council relates to managing the exposure to replacing financial instruments as they mature. This risk relates to the maturing of longer term financial liabilities.

The approved treasury indicator limits for the maturity structure of debt are the key parameters used to address this risk and the central treasury team address the operational risks within the approved parameters. This includes:

- monitoring the maturity profile of financial liabilities and amending the profile as appropriate through either new borrowing or the rescheduling of the existing debt; and
- monitoring the maturity profile of investments to ensure that sufficient liquidity is available for the Council's day to day cash flow needs.

The Council has safeguards in place to ensure that a significant proportion of its borrowing does not mature for repayment at any one time in the future to reduce the financial impact of re-borrowing at a time of unfavourable interest rates. No more than 50% of borrowings are due to mature within any financial year or within any rolling five-year period.

The maturity analysis of financial liabilities is as follows:

	<b>Creditors</b>	<b>PPP</b>	<b>Borrowing</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Less than one year	33,558	2,713	175,550	211,821
Between one and two years	0	3,611	195,499	199,110
Between two and five years	0	10,978	34,824	45,802
More than five years	0	88,612	29,677	118,289
	<b>33,558</b>	<b>105,914</b>	<b>435,550</b>	<b>575,022</b>

##### Market risk

Changes in market interest rates influence the interest payable on borrowings and on interest receivable on surplus funds invested. For example, a rise in interest rates would mean an increase in the interest charges on borrowing at variable rates and an increased cost to the taxpayer. An increase in interest rates would also mean an increase in the income received on lending at variable rates and a reduction in cost for the taxpayer.

## Notes to the Financial Statements (Cont'd)

### Note 25 – Financial Instruments (Cont'd)

#### 4) Nature and Extent of Risks arising from Financial Instruments (Cont'd)

##### Market Risk (Cont'd)

Changes in market rates also affect the notional “fair value” of lending and borrowing. For example, a rise in interest rates would reduce the fair value of both lending and borrowing at fixed rates. Changes in the fair value of lending and borrowing do not impact upon the taxpayer and are confined to prescribed presentational aspects in the Accounts.

The Council has a variety of strategies for managing the uncertainty of future interest rates and the financial impact on the Council:

- it is the policy of the Council to limit its exposure to variable rate borrowing to a maximum of 50% of what it borrows;
- during periods of falling rates and where it is economically advantageous to do so, the Council will consider the repayment and restructuring of fixed interest rate debt;
- the Council takes advice from its specialist treasury advisers and actively monitors changes in interest rates to inform decisions on the lending of surplus funds, new borrowings and restructurings of existing borrowings; and
- any potential for a financial impact on the Council is also significantly limited by the Scottish Government's grant distribution mechanism that automatically adjusts for changes in interest rates in the government grant support the Council receives for “loan charges”.

The interest rate profile of the Council's borrowing is as follows:

	£000	%
Fixed Interest Debt	429,621	98.6%
Variable Interest Debt	5,929	1.4%
	<b><u>435,550</u></b>	

To illustrate the impact of changes in interest rates upon the Council, the following table shows the financial effect if rates had been 1% higher at 31 March 2018, with all other variables held constant:

	£000
<b>Impact on tax payers and rent payers</b>	
Increase on interest payable on variable debt borrowings	0
Increase in interest receivable on variable rate investments	(178)
Increase in government grant receivable for 'loan charges'	(53)
Impact on Income and Expenditure Account	<u>(231)</u>
Share of overall impact due credited to the HRA	<u>(106)</u>
<b>Other accounting presentational changes</b>	
Decrease in fair value of fixed rate investments:	
Decrease in fair value of fixed rate debt borrowings (disclosure confined to notes to the core financial statements)	(139,582)

The impact of a 1% fall in interest rates would be as above but with the changes being reversed.

##### Foreign Exchange Risk

The Council does not lend or borrow in foreign currencies and has no exposure to gains or losses arising from movements in exchange rates.

## Notes to the Financial Statements (Cont'd)

### Note 26 – Creditors

2016/17	2017/18
£000	£000
6,147 Central government bodies	3,185
11,150 Other local authorities	11,930
293 NHS Bodies	78
384 Public Corporations and trading funds	12
18,343 Other Entities and individuals	18,353
<b>36,317</b>	<b>33,558</b>

### Note 27 – Provisions

	Equal Pay	VER/VS	Total
	£000	£000	£000
Opening Provision	750	0	750
Contributions	0	153	153
Used in year	(433)	0	(433)
<b>Closing Position</b>	<b>317</b>	<b>153</b>	<b>470</b>

**Equal pay claims and single status payments**– The Council has implemented a Single Status pay structure. This provision is held for possible future equal pay claims through outstanding tribunal cases and revised gradings from the new pay structure.

**VER/VS (Voluntary Early Retirement / Voluntary Severance)** – This provision is held for those staff accepting a severance or early retiral package with a view to leaving in 2018/19.

### Note 28 – Reserves and Earmarked Balances

The Council holds reserves on the Balance Sheet in respect of General Fund and HRA brought forward surpluses:

- (1) The General Fund balance stands at £11.013m on 31 March 2018, of which £6.671m is earmarked for ringfenced purposes, leaving an unearmarked balance of £4.342m (prudential target £4.122m).

The main earmarked income held for future specific purposes:

	£000
Change Fund	2,038
Apprenticeship fund	1,000
PEF	912
RSG received early	610
Business Gateway	396
Private Sector Housing Grants	300
Jobs Growth	156
Clydebank Property Company	154
Developing Young Workforce/Youth Employment	124
Early years expansion	121
Education Development	110
Community Loans Fund	101
Other Committed Spend (> £0.100m)	649
	<b>6,671</b>

## Notes to the Financial Statements (Cont'd)

### Note 28 – Reserves and Earmarked Balances (Cont'd)

- (2) The HRA balance is currently £7.422m as at 31 March 2018, of which £6.572m is earmarked for ring fenced purposes, leaving an unearmarked balance of £0.850m.

The earmarked balance held for future specific purposes is:-

	<b>£000</b>
Regeneration of the stock	6,072
Welfare Reform	500
	<u><b>6,572</b></u>

### Note 29 – Reserves

Reserves are created by appropriating amounts from the General Fund balance in the Movement in Reserves Statement. When expenditure is financed from a reserve, it is charged to the appropriate service to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund balance in the Movement in Reserve Statement so that there is no net effect on council tax.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments and retirement benefits and that do not represent usable resources for the Council.

#### Useable reserves

Useable reserves are those that the Council is able to apply to fund expenditure or reduce taxation and comprise of both capital and revenue reserves. Movement in the revenue reserves during the year are outlined in the Movement in Reserves Statement, however, a summary is shown below:

<b>31-Mar-17</b>	<b>31-Mar-18</b>
<b>£000</b>	<b>£000</b>
13,118 General Services	11,013
6,963 Housing Revenue Account	7,422
0 Capital Receipts Reserve	0
466 Capital Grants Unapplied	314
3,633 Capital Reserve	3,269
499 Other Reserves	478
<u><b>24,679 Total Usable Reserves</b></u>	<u><b>22,496</b></u>

#### General Fund Revenue Reserve

The General Fund is held for services provided by the Council through Revenue Support Grant funded through the Scottish Government and Council Tax. It excludes the Housing Revenue Account. This reserve holds funds not yet spent.

#### Housing Revenue Account Revenue Reserve

The Council is required by the Local Government and Housing Act (Scotland) 1987 to keep a Housing Revenue Account (HRA) which records all revenue expenditure and income relating to the provision of council dwellings and related services. This reserve holds funds not yet spent.

#### Capital Receipts Reserves

Capital receipts from asset sales are retained within this Reserve and used to fund planned capital expenditure.

## Notes to the Financial Statements (Cont'd)

### Note 29 – Reserves (Cont'd)

#### Capital Grant Unapplied Reserve

Grants and other contributions given to the Council are retained within this Reserve until all conditions agreed by the grant provider are satisfied.

#### Capital Items Replacement Fund (Other)

This reserve holds funds which are retained and used for the renewal or repair of school non-current assets.

#### Capital Reserve

This reserve holds funds which are retained for the funding of the Public Private Partnership (PPP) unitary charge on a specific annual phased amount.

#### Unusable reserves

Unusable reserves are those that the Council is not able to utilise to provide services and comprise of:-

31-Mar-17 £000	31-Mar-18 £000
232,656 Capital Adjustment Account	239,754
137,666 Revaluation Reserve	129,477
(240,926) Pension Reserve	(71,294)
(3,658) Employee Statutory Adjustment Account	(3,099)
(15,392) Financial Instruments Adjustment Account	(14,510)
<b><u>110,346</u> Total Unusable Reserves</b>	<b><u>280,328</u></b>

#### Capital Adjustment Account

The capital adjustment account absorbs the timing difference arising from the different arrangements for accounting for the consumption of non current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the comprehensive income and expenditure statement (with reconciling postings to the revaluation reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The account contains revaluation gains accumulated on property, plant and equipment before 1 April 2007, the date that the revaluation reserve was created to hold such gains. The movement in reserve statement provides detail of the source of all the transactions posted to the account.

## Notes to the Financial Statements (Cont'd)

### Note 29 – Reserves (Cont'd)

#### Capital Adjustment Account (Cont'd)

2016/2017 £000	2017/2018 £000
227,034 Opening Balance	232,656
(25,473) Depreciation	(32,422)
(7,640) Impairment	(7,465)
0 Increase in Depreciation Caused by Revaluation	9,712
10,041 Deficit/Surplus on Revaluations	2,208
0 Assets That Should Have been Deleted	(106)
466 Write off Revaluation Reserve Balance re Disposals	1,069
(4,305) Disposal of Fixed Assets	(4,405)
8,214 Government Grants Applied	13,322
5,910 Capital Financed by Current Revenue	7,585
12,958 Long Term Debt Payment	13,790
5,451 Capital Receipts Applied	3,810
<b>232,656 Closing Balance</b>	<b>239,754</b>

#### Revaluation Reserve

The revaluation reserve contains the gains made by the Council arising from increases in the value of its property, plant and equipment (and intangible assets). The balance is reduced when assets with accumulated gains are:

- re valued downwards or impaired and the gains are lost;
- used in the provision of services and the gains are consumed through depreciation; or
- disposed of and the gains are realised.

The reserve contains only revaluation gains accumulated since 1 April 2007, the date that the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the capital adjustment account.

2016/2017 £000	2017/2018 £000
122,980 Opening Balance	137,666
126,849 Unrealised Gains on Revaluation of Assets	19,291
(102,276) Impairments and Losses on Revaluation of Assets	(16,699)
(466) Write off Revaluation Reserve Balance re Disposals	(1,069)
(9,421) Depreciation due to Revaluation of Assets	(9,712)
<b>137,666 Closing Balance</b>	<b>129,477</b>

#### Pension Reserve

The pension reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post employment benefits in the comprehensive income and expenditure as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However statutory arrangements requires benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pension for which it is directly responsible.

## Notes to the Financial Statements (Cont'd)

### Note 29 – Reserves (Cont'd)

#### Pension Reserve (Cont'd)

The debit balance on the pensions reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2016/2017 £000	2017/2018 £000
(153,740) Opening Balance	(240,926)
(77,040) Actuarial (Loss)/Gain	189,768
20,341 Employer Contributions	19,560
(30,487) Reversal of IAS19 Entries	(39,696)
<b><u>(240,926) Closing Balance</u></b>	<b><u>(71,294)</u></b>

#### Employee Statutory Adjustment Account

The Employee Statutory Adjustment Account absorbs the differences that would otherwise arise on the general fund balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the general fund balance is neutralised by transfers to or from this account.

2016/2017 £000	2017/2018 £000
(3,002) Opening Balance	(3,658)
(656) Staff Accrual Movement	559
<b><u>(3,658) Closing Balance</u></b>	<b><u>(3,099)</u></b>

#### Financial Instruments Adjustment Account

The financial instruments adjustment account absorbs the timing difference arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions. The Council uses the account to manage premiums paid on the early redemption of loans. Premiums are debited to the comprehensive income and expenditure statement when they are incurred, but reversed out of the general fund balance to the account in the movement in reserves statement. Over time, the expense is posted back to the general fund balance in accordance with statutory arrangements for spreading the burden on council tax. In the Council's case, this period is the unexpired term that was outstanding on the loans when they were redeemed. As a result, the balance on the account as at 31 March 2018 will be charged to the General Fund over the next thirty-nine years.

2016/2017 £000	2017/2018 £000
(16,099) Opening Balance	(15,392)
846 Annual Write off of Premiums and Discounts	846
(122) New Premiums and Discounts	0
(17) Annual EIR Adjustment to Stepped Interest Instruments	36
<b><u>(15,392) Closing Balance</u></b>	<b><u>(14,510)</u></b>

## **Notes to the Financial Statements (Cont'd)**

### **Note 30 – Contingent Assets or Liabilities**

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits.

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events, not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the Balance Sheet but are disclosed as a note to the accounts, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

The Council has a potential contingent liability relating to the risk that groups of workers not currently included in the equal pay provision may be successful in claiming compensation under the terms of the equal pay legislation.

The Council has a potential contingent liability relating to paid holiday entitlement. UK employers are bound by employment law in relation to what constitutes the definition of paid holiday entitlement. Case law has clarified that all pay elements intrinsically linked to the performance of a contract of employment should be included in the calculation of holiday pay, including payments made for additional working. The Council adjusted the method of calculation in August 2014 (backdated in line with the leave year to April) and has included on-going costs within the long term financial strategy. The legal position remains subject to challenge however, given the action taken, any potential claim by employees for any retrospective payments is likely to be minimal. As a result, whilst recognising there may be such a requirement, it is not possible to quantify such.

The Council is not aware of any other contingent assets or liabilities which may be outstanding.

### **Note 31 – Financial Guarantee**

In terms of West Dunbartonshire Leisure Trust's admission to the Strathclyde Pension Scheme, the Council has guaranteed to accept liability for any unfunded pension costs should they cease to exist, withdraw from the Scheme or become unable to meet any unfunded liability. The Council has not quantified the possible liability.



## Movement on the Housing Revenue Account Statement

This statement shows the movement in the year on the housing revenue account reserve. The surplus or (deficit) on the housing revenue account income and expenditure statement is reconciled to the surplus or deficit for the year on the housing revenue account balance, calculated in accordance with the Housing (Scotland) Act 1987.

2016/17 £000	2017/18 £000
<b>(6,217) Balance on the Housing Revenue Account at the End of the Previous Year</b>	<b>(6,963)</b>
<b>1,412 Total Comprehensive Income and Expenditure</b>	<b>(6,673)</b>
<b>Adjustments to the revenue resource</b>	
(198) Pension Scheme Adjustments	(589)
9 Financial Instruments Adjustment	(26)
(3) Holiday Pay Adjustment	(13)
Reversal of entries included in the Surplus/Deficit on the Provision of Services in	
(13,082) relation to capital expenditure	(5,885)
<b>(13,274)</b>	<b>(6,513)</b>
<b>Adjustments between Revenue and Capital Resources</b>	
(351) Net gain or loss on sale of non-current assets	(203)
6,093 Statutory Repayment of Debt (Loans Fund Advances)	5,960
5,374 CFCR	6,970
<b>11,116</b>	<b>12,727</b>
<b>(2,158) Total Statutory Adjustments 2016/17</b>	<b>6,214</b>
0 Transfers to/from Other Statutory Reserves	0
<b>(746) (Increase)/Decrease in Year</b>	<b>(459)</b>
<b>(6,963) Balance on the Housing Revenue Account at the end of the Current Year</b>	<b>(7,422)</b>

## Housing Revenue Account Income and Expenditure Statement

The HRA income and expenditure statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices rather than the amount to be funded from rents and government grants. The Council charges rents to cover expenditure in accordance with regulations; this may be different from the accounting cost. The increase or decrease in the year, on the basis of which rents are raised, is shown in the Movement on the HRA Statement.

2016/17 £000		2017/18 £000
	<b>Income</b>	
(38,794)	Dwelling Rents (net of voids)	(39,123)
(277)	Other Rents	(286)
(1,554)	Other Income	(2,874)
<u>(40,625)</u>		<u>(42,283)</u>
	<b>Expenditure</b>	
11,836	Repairs and Maintenance	11,968
9,025	Supervision and Management	10,790
15,571	Depreciation and Impairment	9,428
999	Bad/Doubtful Debts	883
349	Other Expenditure	387
<u>37,780</u>		<u>33,456</u>
	<b>Net Cost of Service as Included in the Council Comprehensive Income and Expenditure Statement</b>	
<u>(2,845)</u>		<u>(8,827)</u>
	<b>HRA Share of the Operating Income and Expenditure Included in the Comprehensive Income and Expenditure Statement</b>	
(2,489)	Recognised Capital Income (Grants, Contributions and Donations)	(3,543)
351	Gain or Loss on the Sale of HRA Non Current Assets	203
6,053	Interest Payable and Similar Charges	5,194
435	Amortisation of Premiums and Discounts	388
(93)	HRA Interest and Investment Income	(88)
<u>4,257</u>		<u>2,154</u>
<u>1,412</u>	<b>(Surplus)/Deficit for the year on HRA Services</b>	<u>(6,673)</u>

## Notes to the Housing Revenue Account Income and Expenditure Statement

### Note 1 - The number and types of dwellings in the Council's stock

The Council was responsible for managing 10,445 dwellings during 2017/18 (10,580 in 2016/17). The following shows an analysis of these dwellings by type.

Number at 31.03.17	2016/17		Number at 31.03.18	2017/18	
	Average weekly rent £	Type of Dwelling		Average weekly rent £	
2,731	71.78	Two-apartment	2,719	71.84	
4,856	73.93	Three-apartment	4,792	74.34	
2,677	78.52	Four-apartment	2,624	79.82	
309	83.86	Five-apartment	303	85.64	
2	86.80	Six-apartment	2	88.75	
1	79.05	Seven-apartment	1	80.83	
2	86.80	Eight-apartment	2	88.75	
2	86.80	Nine-apartment	2	88.75	
<b>10,580</b>		<b>Total</b>	<b>10,445</b>		

### Note 2 – Dwelling Rents

This is the total rental income less voids chargeable for the year of £0.693m (£0.848m in 2016/17). It excludes irrecoverables and bad debts. Average rents were £75.35 per week in 2017/18 (£74.85 per week in 2016/17).

### Note 3 –Other Rents

This is the total income received from travelling person site rentals, lock-ups and shops less voids chargeable for the year, but excludes irrecoverables and bad debts. Lost rents from lock-ups in 2017/18 were £0.076m (£0.076m in 2016/17).

### Note 4 - Rent arrears

As at 31 March 2018, total rent arrears amounted to £3.468m (£3.056m as at 31 March 2017). This is 8.83% of the total value of rents due at 31 March 2018. It should be noted that the total arrears do not all relate to 2017/18 and the year on year movement in value of arrears is an increase of £0.412m.

### Note 5 - Provision for Bad Debts

In the financial year 2017/18, the rental bad debt provision has been increased by £0.443m (£0.149m decrease 2016/17). The provision to cover loss of rental income stands at £2.469m as at 31 March 2018 – equivalent of 71.18% (66.31% 2016/17) of the total value of rents due at that date.

## Council Tax Account

### Council Taxpayers: £32.607m (2016/17 £31.592m)

The Council Tax Income Account (Scotland) shows the gross income raised from council taxes levied and deductions made under Statute. 2017/18 represents the fifth year of operation of the Council Tax Reduction Scheme in Scotland. The Council Tax Reduction Scheme represents a new discount introduced across Scotland following the abolition of Council Tax Benefits as part of the UK government's welfare reform programme. The resultant total net income within the Council Tax Account is transferred to the Comprehensive Income and Expenditure Statement.

2016/17 £000		2017/18 £000
46,669	Gross council tax	47,828
	Less:	
(8,658)	Council Tax Reduction Scheme Discount*	(8,429)
(5,675)	Other discounts and reductions	(5,702)
(830)	Provision for bad and doubtful debts	(840)
86	Adjustments for prior years	(250)
<b>31,592</b>	<b>Transfer to General Fund</b>	<b>32,607</b>

#### The calculation of the council tax base

Band	No of Dwellings	No of Exemptions	Disabled Relief	Discounts 25%	Discounts 50%	CTRS Discount	Total Dwellings	Ratio to Band D	Band D Equivalent
A(Disabled)	0	0	25	14	0	17	31	200/360	17
Band A	7,898	532	40	4,489	126	5,410	9,365	240/360	6,243
Band B	16,853	507	(13)	7,735	177	8,548	19,380	280/360	15,074
Band C	7,483	152	(4)	2,860	52	2,586	8,218	320/360	7,305
Band D	5,877	92	19	1,762	30	948	5,920	360/360	5,920
Band E	4,477	45	(47)	927	14	317	4,315	473/360	5,274
Band F	1,659	14	(10)	212	8	71	1,616	585/360	2,334
Band G	787	6	(9)	93	5	29	762	705/360	1,270
Band H	65	1	(1)	3	7	2	61	882/360	121
<b>Total</b>									<b>43,558</b>
<b>Provision for bad debt</b>									<b>(722)</b>
<b>Council Tax Base</b>									<b>42,836</b>

#### The nature and actual amount of each charge fixed

##### Gross Charges

Dwellings fall within a valuation band between 'A' to 'H' which is determined by the Assessor. The council tax charge is calculated using the council tax base i.e. band D equivalents. This charge is then decreased/increased dependent on the band. The band D charge for 2017/18 was £1,163.

	2016/17 £ per year	2017/18 £ per year
775 Band A		775
905 Band B		905
1,034 Band C		1,034
1,163 Band D		1,163
1,421 Band E		1,528
1,680 Band F		1,890
1,938 Band G		2,278
2,326 Band H		2,849

##### Discounts, Reliefs and Exemptions

A council tax bill is reduced by 25% where a property has only one occupant or 50% where the property is empty. For council tax purposes certain students are not regarded as occupants. Certain properties may also qualify for relief if the property has been adapted for a disabled person. Properties undergoing major renovation or held pending demolition may be awarded exemption from council tax.

\*Council Tax Benefit has been replaced by Revenue Support Grant received from the Scottish Government. The result of which has been to reduce the Council Tax Income due by use of a Council Tax Discount Mechanism.

## Non Domestic Rates Account

### Non-Domestic Rates Income £77.319m (2016/17 £82.793m)

The Non Domestic Rate Account (Scotland) is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Non Domestic Rates account. The statement shows the gross income from the rates and deductions made under Statute. The net income is paid to the Scottish Government as a contribution to the national non-domestic rate pool.

Non-Domestic Rates are pooled for Scotland as a whole and redistributed to authorities on a basis which reflects population. West Dunbartonshire Council received £77.319m (2016/17 £82.793m) from the national pool. West Dunbartonshire Council's allocation from the pool now reflects the Council's duty to collect Scottish Gas utilities on behalf of all Scottish Councils. The Council's Revenue Support Grant has been adjusted to compensate for this change. In 2012/13 the Scottish Government introduced Business Rates Incentivisation Scheme (BRIS), to incentivise Councils to grow their potential business rates tax base and as a result increase rates income, a proportion of which is to be retained by Councils. Following a review of the original BRIS by a joint Scottish Government/COSLA Review Group the original scheme was suspended and a revised scheme was introduced in 2014/15. The amount of revised BRIS local targets will be linked only to the buoyancy element of the total estimated NDRI for any one year. This ensures that each Council will have the ability to influence their own local tax base. Local targets for 2017/18 were 1.7% and indications suggest the Council is not due any additional income for the year. Local provisional targets for 2018/19 are 1.8%.

The amount deemed to be collected locally was £82.419m (2016/17 £80.674m). The sum actually collected locally and contributed to the pool was £76.484m (2016/17 £79.258m), made up as follows:

2016/17 £000		2017/18 £000
87,880	Gross rates levied	86,820
	Less:	
(7,397)	Reliefs and other deductions	(8,438)
(879)	Provision for bad and doubtful debts	(916)
79,604	Net non-domestic rate income	77,466
(346)	Adjustments for prior years	(982)
79,258	Total Non Domestic Rate Income (before retention)	76,484
0	Non Domestic Rate Income Retained by the Council (BRIS)	0
<b>79,258</b>	<b>Contribution to National Non Domestic Rate Pool</b>	<b>76,484</b>
82,793	Distribution from National Non Domestic Rate Pool	77,319
<b>(3,535)</b>	<b>Net contribution to/(from) National Non Domestic Rate Pool</b>	<b>(835)</b>
<b>Net Non Domestic Rate Income to Comprehensive Income &amp; Expenditure Statement</b>		<b>77,319</b>

The non-domestic rates pool operates on a cash accounting basis and as such the non-domestic rate income account within West Dunbartonshire Council is calculated on a similar basis.

Analysis of rateable Values:	£	An explanation of the nature and amount of each rate fixed
Rateable value at 1/4/17	185,703,215	The amount paid for non-domestic rates is determined by the rateable value placed on the property by the Assessor multiplied by the rate per £ announced each year by the government.
Running roll (full year RV)	1,914,290	
Rateable value at 31/3/18	187,617,505	The national non-domestic rate poundage set by the First Minister for Scotland for 2017/18 was £0.466.
Less: partially exempt	734,150	
Less: wholly exempt	4,513,775	
<b>Net rateable value at 31/3/18</b>	<b>182,369,580</b>	

## Common Good Fund

The Council administers the Dumbarton Common Good Fund Account. The Fund is applied for the benefit of the people of Dumbarton. The figures below summarise the income and expenditure for the year as well as the assets and liabilities as at 31 March 2018. The fund does not represent assets of the Council and has not been included within the Balance Sheet on page 32.

### Income and Expenditure Account

2016/17	2017/18
£000 Expenditure	£000
141 Payments to Other Bodies	141
50 Denny Tank	50
22 General Expenditure	26
<b>213</b>	<b>217</b>
<b>Income</b>	
(283) Rent – Sites and Offices	(280)
0 Gain on Investments	(7)
(1) Other Income	(2)
<b>(284)</b>	<b>(289)</b>
<b>(71) Net (surplus)/deficit for year</b>	<b>(72)</b>
(71) In Year Usable Gain	(65)
0 In Year Un-usable Gain	(7)
<b>(71)</b>	<b>(72)</b>
(273) Balance brought forward	(344)
(71) In Year Usable Gain	(65)
<b>(344) Balance carried forward</b>	<b>(409)</b>

### Balance Sheet as at 31 March 2018

2016/17	Note	2017/18
£000 Fixed Assets		£000
3,187 Investment properties	1	3,194
<b>Current Assets</b>		
344 Investments – West Dunbartonshire Council		414
3 Debtors	2	0
<b>Current Liabilities</b>		
(3) Creditors falling due within one year	3	(5)
<b>3,531 Total assets</b>		<b>3,603</b>
<b>Funds</b>		
3,187 Capital Adjustment Account		3,194
344 General Fund		409
<b>3,531</b>		<b>3,603</b>

### Note 1 Tangible fixed assets and depreciation

All assets valued over £6,000 are capitalised and valued at market value. Depreciation is charged on assets other than Investment assets on a straight line basis over their estimated life. The Fund only holds investment assets.

## Common Good Fund (Cont'd)

### Note 2 Analysis of Sundry Debtors

2016/17 £000	2017/18 £000
3 Prepaid grant	0
<u>3</u>	<u>0</u>

### Note 3 Analysis of Sundry Creditors

2016/17 £000	2017/18 £000
0 Grant	2
3 Prepayment of rent	3
<u>3</u>	<u>5</u>

## Sundry Trust Funds

The Council acts as sole or custodian trustee for a number of trust funds, which may be used for various purposes depending on the terms of the Trust. In all cases, the funds do not represent assets of the Council and they have not been included within the Balance Sheet on page 29. Under the provisions of the "2005 Act" and the "Accounts Regulations" above, all registered charities in Scotland are required to prepare financial statements which must be externally scrutinised. The trust funds below are registered, under one registration, with the Office of the Scottish Charity Regulator. Management has reviewed the current arrangements for the trust funds to ensure the current arrangements reflect the needs of the Council and ensure that all obligations are met. Responsibility for the compliance with the new regulations was delegated to the Strategic Lead - Resources.

### Receipts and Payments Account

2016/17			2017/18		
Receipts	Payments	(Surplus)/ Deficit	Receipts	Payments	(Surplus)/ Deficit
£000	£000	£000	£000	£000	£000
0	0	0	(3)	0	(3)
0	0	0	0	0	0
(1)	0	(1)	(1)	7	6
0	0	0	0	1	1
0	15	15	0	0	0
0	3	3	0	0	0
0	0	0	0	2	2
0	0	0	0	0	0
(1)	18	17	(4)	10	6

### Statement of Balances as at 31 March 2018

	Balance as at 1/4/17 £000	(Surplus)/ deficit for year £000	Balance as at 31/3/18 £000
<b>Bank and Cash</b>			
Dunbartonshire Educational Trust Scheme 1962	(86)	(3)	(89)
McAuley Prize for Mathematics	(21)	0	(21)
Alexander Cameron Bequest	(156)	6	(150)
Dr A K Glen Fund	(26)	1	(25)
War Memorial Dumbarton	0	0	0
Halkett Memorial Trust	0	0	0
Vale of Leven Fund	(8)	2	(6)
UIE Award	(24)	0	(24)
<b>Total</b>	<b>(321)</b>	<b>6</b>	<b>(315)</b>
<b>Investments</b>			
Dunbartonshire Educational Trust Scheme 1962	(3)	3	0
<b>Total</b>	<b>(3)</b>	<b>3</b>	<b>0</b>
<b>Overall Total</b>	<b>(324)</b>	<b>9</b>	<b>(315)</b>

The Trust Funds hold no liabilities.



## Group Accounts

### Introduction

The Code of Practice on Local Council Accounting in the United Kingdom (the Code) requires local authorities to consider their interests in all types of entities. This includes other local authorities or similar bodies defined in section 106 of the Local Government (Scotland) Act 1973, including statutory bodies such as Valuation and Concessionary Travel Joint Boards. Authorities are required to prepare a full set of group accounts in addition to their own Council's accounts where they have a material interest in such entities. West Dunbartonshire Council has accounted for its interests in each associate and joint venture using the equity method of accounting.

### Combining Entities

The Group Accounts consolidate the results of the Council with six other entities:

- Dunbartonshire and Argyll & Bute Valuation Joint Board (VJB);
- West Dunbartonshire Health and Social Care Partnership (HSCP);
- Strathclyde Partnership for Transport (SPT);
- Strathclyde Concessionary Travel Joint Board (SCT);
- West Dunbartonshire Leisure Trust (WDLT); and
- Clydebank Property Company (CPC).

In addition to these entities, the Dumbarton Common Good and Sundry Trust Funds have also been consolidated.

The accounting period for all entities is 31 March 2018.

The Council would class an entity as an associate if they have significant influence over the financial and operating policies of the entity. The Council would class an entity as a subsidiary if they have control of the entity. The Council would class an entity as a joint venture where it has contractually agreed to share control with another party, such as significant decisions require unanimous consent and the joint venturers have rights to the net assets of the arrangement.

Under accounting standards, this Council includes the results of three of these organisations as 'associates' because it has a significant influence over their financial and operating policies (namely VJB, SPT and SCT). The Council has no shares in, nor ownership of any of these organisations which are entirely independent of the Council.

The Joint Boards are independent public bodies formed by an Act of Parliament. All local government functions that relate to these bodies have been delegated from the constituent councils that comprise the area of each Board. The members of each Board are elected Councillors and are appointed by the councils in proportions specified by legislation.

The WDLT and the CPC have been included as subsidiaries.

HSCP has been included as a joint venture.

### Basis of Combination and Going Concern

The combination has been accounted for on an acquisition basis using the equity method – that is, the Council's share of the net assets and liabilities of each entity is incorporated and adjusted each year by the Council's share of the entities' results (recognised in the Group Income and Expenditure Account), and its share of other gains and losses.

For four of the six entities, the Council has a share in a net asset. The negative balance on the VJB and the Leisure Trust arise from the inclusion of liabilities related to defined benefit pension schemes as required by IAS19 and FRS102.

## **Group Accounts (Cont'd)**

### **Basis of Combination and Going Concern (Cont'd)**

The effects of inclusion of these entities and the Common Good and Trust Funds on the Group Balance Sheet is to increase reserves and Net Assets by £25.931m – representing the Council's share of net assets in these entities.

The Code requires Council to prepare financial statements on a going concern basis. A transfer within public services does not negate the presumption that these bodies are still a going concern.

Thus all entities consider it appropriate that their Financial Statements should follow the 'going concern' basis of accounting. Statutory arrangements with the constituent local authorities for the deficit of the Valuation Joint Board means that the financial position of the Board is assured.

Whilst the Balance Sheet of some entities show negative total assets, this relates primarily to defined benefit scheme pension liabilities in these entities. The financial statements of all individual group entities have been prepared on a going concern basis and, as such, the group accounts have also been prepared on this basis.

## Group Accounts (Cont'd)

### Group Comprehensive Income and Expenditure Statement

Restated 2016/17 Gross Expenditure £000	Restated 2016/17 Gross Income £000	Restated 2016/17 Net Expenditure £000		2017/18 Gross Expenditure £000	2017/18 Gross Income £000	2017/18 Net Expenditure £000
			<b>Service</b>			
74,490	(50,614)	23,876	Corporate Services	75,922	(49,579)	26,343
94,304	(5,024)	89,280	Educational Services	103,553	(9,479)	94,074
54,150	(24,655)	29,495	Infrastructure, Regeneration and Economic Development	59,528	(23,371)	36,157
9,384	(4,624)	4,760	Housing and Communities	9,771	(4,811)	4,960
37,780	(40,625)	(2,845)	Housing Revenue Account	33,456	(42,283)	(8,827)
4,829	(6,423)	(1,594)	Miscellaneous Services	9,676	(6,916)	2,760
153,362	(87,221)	66,141	Health and Social Care Partnership	154,010	(86,828)	67,182
2,621	0	2,621	Requisitions	2,481	0	2,481
(7,589)	7,589	0	Removal of Internal Recharges	(7,933)	7,933	0
6,428	(2,597)	3,831	Subsidiaries	7,280	(3,114)	4,166
<b>429,759</b>	<b>(214,194)</b>	<b>215,565</b>	<b>Net Cost of Service (1)</b>	<b>447,744</b>	<b>(218,448)</b>	<b>229,296</b>
			(1,146) (Gain) / loss on Disposal of Fixed Assets			595
			<b>(1,146) Other Operating Expenditure (2)</b>			<b>595</b>
			(31,592) Council Tax			(32,607)
			(82,793) Non-Domestic Rates			(77,319)
			(100,799) Revenue Support Grant			(104,165)
			(8,229) Recognised Capital Income (Grants, Contributions & Donations)			(13,169)
			<b>(223,413) Taxation and Non-specific Grant Income (3)</b>			<b>(227,260)</b>
			(177) Interest Earned			(320)
			18,437 External Interest Payable / Similar Charges			18,422
			846 (Gain)/Loss early settlement of borrowing			846
			(3,284) Surplus on Trading Undertakings not included in net cost of services			(2,759)
			5,984 Pension Interest Cost/Expected Return on Pension Assets			6,545
			<b>21,806 Finance/Investment Income and Expenditure (4)</b>			<b>22,734</b>
			<b>12,812 (Surplus)/Deficit on Provision of Services</b>			<b>25,365</b>
			<b>(5) = (1)+(2)+(3)+(4)</b>			
			(1,589) Share of other Comprehensive Income and Expenditure of Associates and Joint Ventures			(3,433)
			(24,382) (Surplus)/Deficit arising from revaluation of property, plant and equipment			(2,485)
			(691) (Surplus)/Deficit on revaluation of available for sale assets			(939)
			79,726 Actuarial (gains)/losses on pension fund assets and liabilities			(197,337)
			<b>53,064 Other Comprehensive (Income) and Expenditure (6)</b>			<b>(204,194)</b>
			<b>65,876 Total Comprehensive (Income) and Expenditure (5)+(6)</b>			<b>(178,829)</b>

## Group Accounts (Cont'd)

### Group Movement in Reserves Statement

	Usable Reserves			Unusable Reserves			
	WDC Usable Reserves £000	Group Usable Reserves £000	Total Usable Reserves £000	WDC Unusable Reserves £000	Group Unusable Reserves £000	Total Unusable Reserves £000	Total Reserves £000
<b>2017/18</b>							
Opening Balance at 1 April 2017	(24,679)	(8,356)	(33,035)	(110,346)	(6,545)	(116,891)	(149,926)
<b>Movement in reserve 2017/18</b>							
(Surplus) or deficit on provision of services	25,394	(29)	25,365	(193,193)	(89)	(193,282)	(167,917)
Other Comprehensive Expenditure and Income	(23,211)	(3,537)	(26,748)	23,211	(7,375)	15,836	(10,912)
<b>Net Increase/(Decrease) before Transfers to Other Statutory Reserves</b>	<b>2,183</b>	<b>(3,566)</b>	<b>(1,383)</b>	<b>(169,982)</b>	<b>(7,464)</b>	<b>(177,446)</b>	<b>(178,829)</b>
Transfers to/from other statutory reserves	0	0	0	0	0	0	0
<b>Closing Balance at 31 March 2018</b>	<b>(22,496)</b>	<b>(11,922)</b>	<b>(34,418)</b>	<b>(280,328)</b>	<b>(14,009)</b>	<b>(294,337)</b>	<b>(328,755)</b>
<b>2016/17</b>							
Opening Balance at 1 April 2016	(22,255)	(6,222)	(28,477)	(177,173)	(10,152)	(187,325)	(215,802)
<b>Movement in reserve 2016/17</b>							
(Surplus) or deficit on provision of services	12,436	376	12,812	51,967	5,234	57,201	70,013
Adjustments between accounting basis and funding basis under regulations	(14,860)	(2,510)	(17,370)	14,860	(1,627)	13,233	(4,137)
<b>Net Increase/(Decrease) before Transfers to Other Statutory Reserves</b>	<b>(2,424)</b>	<b>(2,134)</b>	<b>(4,558)</b>	<b>66,827</b>	<b>3,607</b>	<b>70,434</b>	<b>65,876</b>
Transfers to/from other statutory reserves	0	0	0	0	0	0	0
<b>Closing Balance at 31 March 2017</b>	<b>(24,679)</b>	<b>(8,356)</b>	<b>(33,035)</b>	<b>(110,346)</b>	<b>(6,545)</b>	<b>(116,891)</b>	<b>(149,926)</b>

## Group Accounts (Cont'd)

### Group Balance Sheet

2016/17 £000		2017/18 £000
833,933	Property, Plant and Equipment	881,470
29	Intangible Assets	19
11,095	Investment in associates	17,162
44	Long Term Debtors	34
501	Long term Investments	497
1,406	Heritage Assets	1,406
<b>847,008</b>	<b>Total Long Term Assets</b>	<b>900,588</b>
7,345	Asset Held for Sale	9,069
1,158	Inventories	988
37,643	Short Term Debtors	36,941
14,925	Cash and Cash Equivalents	30,714
<b>61,071</b>	<b>Current Assets</b>	<b>77,712</b>
(750)	Provisions	(470)
(2,718)	Cash and Cash Equivalents	(5,929)
(39,277)	Short Term Creditors	(34,472)
(157,557)	Short Term Borrowing	(171,834)
<b>(200,302)</b>	<b>Current Liabilities</b>	<b>(212,705)</b>
<b>707,777</b>	<b>Total Assets less Current Liabilities</b>	<b>765,595</b>
(1,644)	Liabilities in Associates	(623)
(310,254)	Long Term Borrowing	(363,201)
(627)	Provision for liability	(625)
(244,546)	Net Pensions Liability	(71,391)
(780)	Capital Grants Receipts in Advance (conditions)	(1,000)
<b>(557,851)</b>	<b>Long Term Liabilities</b>	<b>(436,840)</b>
<b>149,926</b>	<b>Total Assets Less Liabilities</b>	<b>328,755</b>
	<b>Represented by:</b>	
33,035	Usable Reserves	34,418
116,891	Unusable Reserves	294,337
<b>149,926</b>	<b>Total Reserves</b>	<b>328,755</b>

The unaudited Financial Statements were authorised for issue on 27 June 2018.

Stephen West  
Strategic Lead - Resources  
West Dunbartonshire Council  
27 June 2018

## **Group Accounts (Cont'd)**

### **Group Cashflow Statement**

There is no impact of the incorporation of the associates within the group cash flow statement, therefore, no cash flow statement is noted within the Group Accounts. The cash flow of the group is equal to the cash flow of the Council, as shown on page 33.

## Group Accounts (Cont'd)

### Notes to the Group Accounts

#### Note 1 - Details of combining entities

The notes required for the Financial Statements of West Dunbartonshire Council are disclosed separately in the preceding pages. For Strathclyde Partnership for Transport and Concessionary Travel Scheme, although the Council holds less than 20% voting rights, it has a significant influence on the bodies. The organisations have voting allocations over 11 other local councils, with no one council holding majority shares, which ensures that all 12 councils can influence decisions. The following notes provide material additional amounts and details in relation to the other combining entities.

**Strathclyde Partnership for Transport** is the statutory body responsible for formulating the public transport policy on behalf of the 12 local authorities in the West of Scotland. In 2017/18, the Council contributed £1.609m (2016/17 £1.642m) or 4.39% (2016/17 4.39%) of the Board's estimated running costs and its share of the year end net asset of £14.250m (2016/17 £8.240m) is included in the Group Balance Sheet. Copies of its accounts may be obtained from the Treasurer to the Strathclyde Partnership for Transport, Consort House, West George Street, Glasgow G2 1HN.

**Strathclyde Concessionary Travel Scheme Joint Board** oversees the operation of the concessionary fares scheme for public transport on behalf of the 12 local authorities in the West of Scotland. The costs of the scheme are funded through requisitions from the 12 councils and by the Scottish Executive via a 'section 70' grant. In 2017/18, the Council contributed £0.175m (2016/17 £0.178m), 4.19% (2016/17 4.19%) of the Board's estimated running costs and its share of the year end net asset of £0.065m (2016/17 £0.071m) is included in the Group Balance Sheet. Copies of its accounts may be obtained from the Treasurer to the Strathclyde Partnership for Transport, Consort House, West George Street, Glasgow G2 1HN.

**Dunbartonshire and Argyll and Bute Valuation Joint Board** was formed in 1996 at local government re-organisation by an Act of Parliament. The Board maintains the electoral, council tax and non-domestic rates registers for the three councils of West Dunbartonshire, East Dunbartonshire and Argyll and Bute. The Board's running costs are met by the three authorities, with surpluses and deficits on the Board's operations also shared between the councils. In 2017/18, the Council contributed £0.694m (2016/17 £0.708m) or 26.95% (2016/17 26.95%) of the Board's estimated running costs and its share of the year end net liability of £0.623m (2016/17 £1.643m) is included in the Group Balance Sheet. Copies of its accounts may be obtained from the Treasurer to the Valuation Joint Board, 16 Church Street, Dumbarton G82 1QL.

**The West Dunbartonshire Health & Social Care Partnership** - the Public Bodies (Joint Working) Act (Scotland) 2014 sets out the arrangements for the integration of health and social care across the country. The Scottish Government-approved the Integration Scheme for West Dunbartonshire which details the 'body corporate' arrangement by which NHS Greater Glasgow & Clyde Health Board and West Dunbartonshire Council agreed to formally delegate health and social care services for adults and children (including criminal justice, social work services) to a third body, which is described in the Act as an Integration Joint Board. The Integration Joint Board for West Dunbartonshire is known as the West Dunbartonshire Health & Social Care Partnership Board (HSCP Board) and started operations on 1 July 2015. The Board's running costs are met by the two bodies mentioned above, with surpluses and deficits on the Boards operations also shared between them. In 2017/18, the Council contributed £60.547m towards estimated running costs and its share of the year end net asset of £3.071m is included in the Group Balance Sheet. Copies of its accounts may be obtained from the Chief Financial Officer to the Integrated Joint Board, 16 Church Street, Dumbarton G82 1QL.

## Group Accounts (Cont'd)

### Notes to the Group Accounts (Cont'd)

#### Note 1 - Details of combining entities (Cont'd)

**West Dunbartonshire Leisure Trust** was formed in December 2011 and started trading on 5 April 2012. The Trust is a charitable company registered in Scotland and provides leisure facilities within the West Dunbartonshire area to the general public and operates sports centres, leisure centres, swimming pools, halls and community education centres owned by the Council. The Trust is paid a management fee by the Council for the provision of these services. The Trust's net asset at 31 March 2018 was £1.882m (2016/17 £1.888m net liability) and its surplus for the year was £0.249m (2016/17 £0.205m surplus). The accounts of the Trust are published separately and can be obtained from the Manager, Leisure Trust Headquarters, Alexandria CE Centre, Alexandria, G83 0NU which is also the company's principal place of business.

**Clydebank Property Company** was part of a group organisation previously known as Clydebank Rebuilt which was a pathfinder urban regeneration organisation, limited by guarantee and included a commercial letting company (industrial units) and a registered charity (the Titan Trust). On 11 August 2014, following the transfer of the Titan Crane to the Property Company, the Council bought the commercial letting company with a view to continuing its regeneration objective. The Company's net asset at 31 March 2018 was £3.366m and its deficit for the year was £0.105m (2016/17 £0.289m deficit). The accounts of the Company are published separately and can be obtained from the Company's Headquarters, Titan Enterprise, 1 Aurora Avenue, Queen's Quay, Clydebank G81 1BF which is also the Company's principal place of business.

**The Council's share of its associates and joint ventures are as follows:**

	<b>Strathclyde Partnership for Transport £000</b>	<b>Strathclyde Concessionary and Travel Scheme Joint Board £000</b>	<b>Dunbartonshires and Argyll and Bute Valuation Joint Board £000</b>	<b>West Dunbartonshire Health &amp; Social Care £000</b>	<b>Total £000</b>
<b>2017/18</b>					
Surplus/ (Deficit) on					
Operating Activities	925	5	148	287	<b>1,365</b>
Non Current Assets	9,313	0	173	0	<b>9,486</b>
Current Assets	7,713	103	185	3,071	<b>11,072</b>
Non Current Liabilities	(1,860)	0	(947)	0	<b>(2,807)</b>
Current Liabilities	(915)	(38)	(33)	0	<b>(986)</b>
<b>2016/17</b>					
Surplus/ (Deficit) on					
Operating Activities	925	(1)	125	1,978	<b>3,027</b>
Non Current Assets	8,239	0	179	0	<b>8,418</b>
Current Assets	4,181	114	160	2,784	<b>7,239</b>
Non Current Liabilities	(2,262)	0	(1,955)	0	<b>(4,217)</b>
Current Liabilities	(1,918)	(43)	(27)	0	<b>(1,988)</b>



## Group Accounts (Cont'd)

### Notes to the Group Accounts (Cont'd)

#### Note 1 - Details of combining entities (Cont'd)

The Council's subsidiaries year end results are as follows:

	West Dunbartonshire Leisure Trust £000	Clydebank Property Company £000	Total £000
<b><u>2017/18</u></b>			
Surplus/ (Deficit) on Operating Activities	249	105	<b>354</b>
Non Current Assets	610	4,165	<b>4,775</b>
Current Assets	2,910	245	<b>3,155</b>
Non Current Liabilities	(98)	(625)	<b>(723)</b>
Current Liabilities	(1,540)	(419)	<b>(1,959)</b>
<b><u>2016/17</u></b>			
Surplus/ (Deficit) on Operating Activities	205	59	<b>264</b>
Non Current Assets	130	4,177	<b>4,307</b>
Current Assets	3,097	472	<b>3,569</b>
Non Current Liabilities	(3,620)	(627)	<b>(4,247)</b>
Current Liabilities	(1,495)	(540)	<b>(2,035)</b>

**Dumbarton Common Good and Trust Funds** are held in Trust by West Dunbartonshire Council. Although the Council does not contribute to these funds financially, they have been included within the Council's Group through materiality by nature. Net usable income in 2017/18 was £0.065m (2016/17 £0.071m) for the Common Good and net decrease in funds of £0.009m (2016/17 £0.017m decrease) for the Trust Funds. Copies of the accounts may be obtained from West Dunbartonshire Council, 16 Church Street, Dumbarton G82 1QL.

#### Note 2 – Non-Material Interest in Other Entities

The Council has an interest in a number of other organisations. The Council's share of their net assets or liabilities is not material to the fair understanding of the financial position and transactions of the Council. Accordingly, the Group Accounts do not include these organisations. Under Accounting Regulations, the Council is required to disclose the business nature of each organisation.

**Scotland Excel** is a joint committee established through Section 57 of the Local Government (Scotland) Act 1973. The main purpose of the committee includes co-ordination of collaborative buying initiatives, representation of interests in public sector contracts, and the development and operation of a centre of procurement expertise for Local Government in Scotland.

**Clydebank Municipal Bank** is a company limited by shares set up based upon the Companies Act 1908 and 1913. It acts as banker for a number of private individuals/organisations. The Council provides services to the bank and funds any annual losses incurred. The bank's year end is 5 April. The principal business of the Municipal Bank is to accept deposits from private account holders and to invest funds with West Dunbartonshire Council. The chairman and directors of the bank are Elected Members of the Council. As per the bank's unaudited financial statements at 31 March 2018, 2,463 accounts were held with the bank (2016/17 2,451), with a total amount on deposit of £1.234m (2016/17 £1.127m), with £0.861m being invested with the Council (2016/17 £0.661m). Interest paid by the Council to the bank in the year was £0.021m (2016/17 £0.020m).

## Group Accounts (Cont'd)

### Notes to the Group Accounts (Cont'd)

#### Note 2 – Non-Material Interest in Other Entities (Cont'd)

**Hub West of Scotland** is a public private Joint Venture development organisation established in 2012. They work with the public sector partners to plan, design, build, and fund and maintain buildings in the most efficient and effective manner delivering better value for money and ultimately improving public services. Hub West of Scotland comprises: Hub West Territory Participants, Scottish Futures Trust and The Wellspring Partnership.

**West of Scotland Loans Fund** is a consortium of 12 local authorities incorporated as a company limited by guarantee in June 1996. In this respect, each member local Council provides a level of loan finance for companies in their area and this is augmented by European Regional Development Funding (ERDF).

#### Note 3 – Financial Impact of Consolidation

The effect of inclusion of the entities on the Group Balance Sheet is to increase reserves and net assets by £25.931m (2016/17 £14.901m) respectively representing the Council's share of the realisable surpluses/deficits in these organisations. This leaves the group account with an overall net asset of £328.755m (2016/17 £149.926m).

#### Note 4 – Analysis of Material Amounts in Income and Expenditure Account

The following table provides an analysis of the Council's share of the material amounts as a result of the inclusion of the associates and subsidiaries.

#### Contribution to Group Income and Expenditure Reserve:

2016/17	2017/18
£000	£000
8,240 Partnership for Transport	14,250
71 Concessionary Travel Board	66
(1,643) Valuation Joint Board	(622)
2,784 West Dunbartonshire Health & Social Care	3,071
(1,888) West Dunbartonshire Leisure Trust	1,882
3,482 Clydebank Property Company	3,366
3,855 Common Good and Trust Funds	3,918
<b><u>14,901 Total</u></b>	<b><u>25,931</u></b>

## General Accounting Policies

### Note 32 - Accounting Policies

#### 1. General Principles

The Financial Statements summarises the Council's transactions for the 2017/18 financial year and its position at the year end of 31 March 2018. The Council is required to prepare an Annual Statement of Accounts by the Local Authority Accounts (Scotland) Regulations 1985. Section 12 of the Local Government in Scotland Act 2003 requires they be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 ("the code") and the Service Reporting Code of Practice 2017/18, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Financial Statements is principally historic cost, modified by the revaluation of certain categories of non-current assets and financial instruments. The convention also adopts the assumption that the Council will continue as a going concern for the foreseeable future.

#### 2. Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when payment is made or received. In particular:

- revenue from sale of goods is recognised when the Council transfers the significant risks and rewards of ownership to the purchaser and when it is probable that the economic benefits associated with the transaction will flow to the Council;
- revenue from the provision of services is recognised when the Council can measure reliably the percentage of completion of the transaction and when it is probable that the economic benefits associated with the transaction will flow to the Council;
- expenses in relation to services received are recorded as expenditure when the services are received, rather than when payment is made;
- supplies are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption their value is carried as inventories on the Balance Sheet;
- interest payable on borrowings and receivable on investments is accounted for on the basis of the effective interest rate for the relevant financial instrument, rather than on cash flows fixed or determined by the contract; and
- where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where there is evidence that debts are unlikely to be settled, the balance of debtors is written down and charged to revenue for the income that might not be collected.

#### 3. Changes in Accounting policies, Estimates and Errors

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, events or conditions on the Council's financial position or performance. Where a change is made, it is applied retrospectively by adjusting opening balances and comparative figures, as if the new policy has always been applied.

Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years only.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative figures.

## General Accounting Policies (Cont'd)

### Note 32 - Accounting Policies (Cont'd)

#### 4. Charges to Revenue for Property, Plant and Equipment

Council Services and Trading Accounts are debited/ credited with the following amounts to record the cost of using or holding fixed assets during the year:

- depreciation, attributable to the assets used by the relevant service or trading account;
- revaluation and impairment losses, where there is no accumulated gain in the Revaluation Reserve;
- revaluation gains, where these reverse an impairment loss previously charged to the service or trading account; and
- amortisation of intangible fixed assets.

The Council is not required to raise council tax to cover depreciation, revaluation gains or losses or impairment losses. However, it is required to make annual provision from revenue towards the reduction in its overall borrowing requirement. Depreciation, revaluation and impairment losses and amortisations are replaced by the revenue provision in the General Fund by an adjustment within the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

#### 5. Intangible assets

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Council will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and restricted to that incurred during the development phase (research expenditure is not capitalised).

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council's goods or services.

Assets are measured originally at cost and only revalued where the fair value of the asset can be determined by reference to an active market.

Where an intangible asset has a finite useful life, the depreciable amount of the asset is charged over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is recognised in the Surplus or Deficit on the Provision of Services when the asset is derecognised.

#### 6. Property, Plant and Equipment

Assets that have physical substance and are held for the supply of goods and services, either directly or indirectly, and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

##### Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the asset can be measured reliably. Expenditure that maintains, but does not add to the asset's potential to deliver future economic benefits or service potential, is charged as an expense when it is incurred.

## General Accounting Policies (Cont'd)

### Note 32 - Accounting Policies (Cont'd)

#### 6. Property, Plant and Equipment (Cont'd)

##### Measurement

Initially measured at cost, comprising of:

- purchase price;
- any costs associated with bringing the asset to the location or condition necessary for it to be capable of operating in the manner intended by management;
- the initial estimate of costs for dismantling and removing the item and restoring the site on which it is located to its original state; and
- The Council does not capitalise borrowing costs incurred during construction of an asset.

Where property, plant or equipment are acquired in exchange for a non monetary asset or assets, or a combination of monetary and non monetary assets, the cost of the acquired item shall be measured at fair value unless there is no economic substance to the exchange transaction, or the fair value of neither the asset received nor the asset given up can be reliably measured. The acquired item is measured at fair value even if the Council cannot immediately derecognise the asset given up. The acquired item is measured at the carrying amount of the asset given up if it is not measured at fair value.

Assets are then carried in the Balance Sheet using the following measurement bases:

<b>Asset Type</b>	<b>Valuation Method</b>
Infrastructure, community and assets under construction assets	Historic Cost
Council dwellings	Fair value - determined in accordance with existing use value of social housing (EUV-SH)
Other buildings	Fair value. Where there is no market based evidence of fair value because of the specialised nature of the asset and the asset is rarely sold, depreciated replacement cost is used as an estimate of fair value
Plant and equipment and other non property assets	Fair value. Where assets in this class have either short useful lives or low values (or both), depreciated historical cost is considered to be a proxy for fair value where the useful life is a realistic reflection of the life of the asset and the depreciation method provides a realistic reflection of the consumption of the asset class

##### Revaluation

Assets included in the Balance Sheet at fair value are re-valued regularly to ensure their carrying amount is not materially different from the fair value at the year end, as a minimum every 5 years. The programme of revaluation for 2017/18 and planned each of the following four years is as follows:

2017/18	All Council non-operational properties;
2018/19	Schools/school houses/ social work homes/adult training centres/ community education centres/early education centres;
2019/20	Halls/ Public conveniences/ libraries/ outdoor centres/ golf course/ pavilions/ sports centres/ swimming pools/ travellers site/ car parks;
2020/21	Any properties not previously re-valued / general re-appraisal; and

## General Accounting Policies (Cont'd)

### Note 32 - Accounting Policies (Cont'd)

#### 6. Property, Plant and Equipment (Cont'd)

All valuations are carried out internally. Valuations of land and buildings are carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

Where decreases in value are identified, the revaluation loss is accounted by:

- where a balance of revaluation gains for the asset is held in the Revaluation Reserve – the carrying amount of the asset is written down against that balance (up to the total gain); or
- where no balance of revaluation gains for the asset is held in the Revaluation Reserve – the carrying amount is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

#### Impairment

Where impairment losses are identified, they are accounted for in the same way as revaluation decreases.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

#### Disposals

When it becomes apparent that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is re-classed as either a surplus asset or an Asset Held for Sale. The asset is re-valued immediately before re-classification and then carried at the lower of this amount and the fair value less sale costs.

Assets to be scrapped are not re-classified as Assets Held for Sale.

When an asset is disposed of or decommissioned, both the carrying amount in the Balance Sheet and receipts from disposal are transferred to the Surplus and Deficit on the Provision of Services line in the Comprehensive Income and Expenditure Statement as part of a gain or loss on sale. Any revaluation gains accumulated for the asset in the Revaluation reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal are categorised as capital receipts. The balance of receipts is required to be credited to the Capital Receipts Reserve and can only be used for new capital investment or set aside to reduce the Council's underlying borrowing requirement. Receipts are appropriated to the Reserve from the General Fund balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax. It is appropriated to the Capital Adjustment Account from the General Fund balance in the Movement in Reserves Statement.

## General Accounting Policies (Cont'd)

### Note 32 - Accounting Policies (Cont'd)

#### 6. Property, Plant and Equipment (Cont'd)

##### Depreciation

Depreciation is provided on all property, plant and equipment over their useful economic lives, with an exception made for assets without a determinable finite useful life (i.e. non depreciating land and certain community assets) and assets that are not yet available for use (i.e. assets under construction).

The useful lives of assets, as estimated and advised by a suitably qualified officer, are as follows:

Council dwellings	40 years	straight line
Other buildings*	20-60 years	straight line
Infrastructure	20 years	straight line
Vehicles, plant, equipment	5-10 years	straight line
Intangibles	5-10 years	straight line

\* Including components such as structure, mechanical and electrical, etc.

Where an item of property, plant and equipment assets has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current depreciation charged on assets and the depreciation that would be chargeable based upon historic cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

#### 7. Assets Held for Sale

These assets are measured at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's length, less costs to sell at the initial classification and at the end of each reporting date. Revaluation gains shall be recognised for any initial or subsequent increase in fair value less costs to sell but not in excess of the cumulative impairment loss or revaluation loss that have been recognised in the Surplus of Deficit on the Provision of Services. Impairment losses (or revaluation losses) will be recognised for any subsequent decrease to fair value less costs to sell following reclassification in the Surplus or Deficit on the Provision of Service even where there is a balance on the assets Revaluation Reserve.

#### 8. Heritage assets

Heritage assets are presented separately in the balance sheet from other property, plant and equipment. The assets are measured at historic cost or fair value. Where the Council considers that it is not practical to obtain a reliable valuation, the asset is not recognised on the Balance Sheet. Where assets are measured at fair value, valuations are made by any method that is appropriate:

## General Accounting Policies (Cont'd)

### Note 32 - Accounting Policies (Cont'd)

#### 8. Heritage assets (Cont'd)

Type of asset	Valuation method for Balance Sheet purposes
Ship models/ Silver and Commemorative wear	The last formal valuations by Bonhams, Sotheby's and Phillips. Further formal valuations will be commissioned where it is considered that there could potentially be a material change in the value of the assets held and where the value of the asset is estimated to be in excess of £10,000
Works of art	The last formal valuations by Bonhams, Sotheby's and Phillips. Where a lower and upper valuation has been provided the mid valuation has been used. Further formal valuations will be commissioned where it is considered that there could potentially be a material change in the value of the assets held
Civic Regalia	The robes are not recognised on the balance sheet as they are considered to have no significant value. However the chains are reported in the balance sheet at insurance value.
Sewing Machine Collection	These collections are not recognised on the balance sheet as cost information is not readily available. Nearly all the items are believed to have an immaterial value.
Listed Buildings and Scheduled Ancient Monuments	These assets are not recognised on the balance sheet as it is considered that there is a lack of available, comparable market values to establish a 'fair value'. It is unlikely that the Council would procure such assets but is more likely to refurbish or enhance existing structures. In this respect, the cost of those works will be capitalised at cost.

Purchased assets are initially recognised at cost and donations are recognised at valuation where that value is estimated to be greater than the threshold of £10,000 as specified above.

The carrying amounts are reviewed where there is evidence of impairment e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment.

No depreciation shall be chargeable on any heritage asset, in view of the indeterminate life and residual value.

The proceeds from any disposal of heritage assets are accounted for in accordance with the Council's general provisions relating to the disposal of property, plant and equipment.

#### 9. Construction Contract (Work in Progress)

Work in progress is valued at cost plus an appropriate proportion of overheads, together with attributable profits and allowances for foreseeable losses.



## **General Accounting Policies (Cont'd)**

### **Note 32 - Accounting Policies (Cont'd)**

#### **10. Employee Benefits**

##### **Benefits payable during employment**

Short term employee benefits (i.e. fall due within 12 months of the year-end), such as wages and salaries, paid leave, paid sick leave, bonuses and non monetary benefits for current employees are recognised as an expense in the year in which the employees render service to the Council. An accrual is made against the services in the Surplus or Deficit on the Provision of Service for the costs of holiday entitlement and other forms of leave earned by the employee but not taken before the year end and which employees can carry forward into the next financial year. Any accrual made is required under statute to be reversed out of the General Fund balance by a credit to the Statutory Mitigation Account in the Movement in Reserves Statement.

##### **Termination Benefits**

Termination benefits are amounts payable as a result of a decision made by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept a voluntary termination package in exchange for those benefits. Termination benefits do not provide the Council with future economic benefits and consequently they are recognised on an accruals basis immediately in the Surplus or Deficit on the Provision of Services line in the Comprehensive Income and Expenditure Account when the authority is demonstrably committed to provision of the termination benefits.

Where termination benefits involve the enhancement of pensions, they are treated as pension costs for the purpose of the statutory transfer between the Pension Reserve and the General Fund of the amount by which the pension costs calculated in accordance with the Code are different from the contributions due under the pension scheme regulations. In the Movement in Reserves Statement appropriations are required to and from the Pension Reserve to remove notional debits and credits for termination benefits related to pensions enhancements and replace them with the cost of the cash paid, including any amounts due and not paid at the year end.

##### **Post Employment Benefits**

Employees of the Council are members of two separate defined pension schemes:

- the Teachers' Pension Scheme, administered by the Scottish Pensions Agency; and
- the Local Government Pensions Scheme, administered by Glasgow City Council

In relation to retirement benefits, statutory provisions require the General Fund to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated in accordance to the relevant accounting standards. In the

Movement in Reserves Statement this means that there are appropriations to and from the Pension Reserve to remove any notional debits and credits for retirement benefits and replace them with the cash paid or payable at the year end, to the pension fund and pensioners. The negative balance that arises on the Pension Reserve measures the beneficial impact on the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits earned by employees.

##### **Discretionary Benefits**

The Council has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) arising from the use of these discretionary powers are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the local government pension scheme.

## **General Accounting Policies (Cont'd)**

### **Note 32 - Accounting Policies (Cont'd)**

#### **11. Events after the reporting period**

Events after the reporting period are those events (both favourable and unfavourable) that occur between the end of the reporting period and the date when the Financial Statements are authorised for issue. Two types have been identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Financial Statements is adjusted to reflect this; and
- those that are indicative of conditions that arose after the reporting period – the Financial Statements are not adjusted to reflect this. However, if the event is material, a disclosure is made within the notes of the nature and financial effect.

#### **12. Exceptional items**

When items of income and expenditure are material, their nature and amount is disclosed separately, either within the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to the understanding of the Council's financial performance.

#### **13. Financial liabilities**

Financial liabilities are recognised on the Balance Sheet when the Council becomes party to the contractual provisions of a financial instrument and initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based upon the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowing that the Council has this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest). Interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement regulations allow the impact on the General Fund balance to be spread over future years. Premiums and discounts that were on the balance sheet as at 31 March 2007 are written off in accordance with the schedules in place at that time, however premiums and discounts that are incurred as a result of transactions that have taken place since 1 April 2007 are written off in accordance with regulations as follows:

#### **Modified Loans**

- both old and new premiums and discounts are amortised over the life of the new loan using the effective interest rate as noted above.

## General Accounting Policies (Cont'd)

### Note 32 - Accounting Policies (Cont'd)

#### 13. Financial liabilities (Cont'd)

##### Unmodified Loans

- new premiums and discounts are written off over the life of the new loan (if fixed) or over a maximum of 20 years (if variable or with an option to vary);
- old premiums are written off over a maximum of 20 years; and
- old discounts are written off over a maximum of 5 years.

##### Straight Repayment

- both old and new premiums and discounts are written off over a maximum of 5 years.

#### 14. Financial Assets

The reconciliation of amounts is charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial assets are classified into two types:

- loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market; and
- available-for-sale assets – assets that have a quoted market price and/or do not have fixed or determinable payments

##### Loans and receivables

Loans and receivables are recognised on the Balance Sheet when the Council becomes party to the contractual provisions of a financial instrument and initially measured at fair value.

They are then measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most other the loans that the Council has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

Where soft loans are made and are material, a loss is recorded in the Comprehensive Income and Expenditure Statement (debited to the appropriate service line) for the present value of the interest that will be foregone over the life of the loan, resulting in a lower amortised cost than the outstanding principal. Interest is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement at a marginally higher effective rate of interest than the rate receivable from the community groups, with the difference increasing the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund balance is the interest receivable for the financial year – the reconciliation of amounts debited or credited to the Comprehensive Income and Expenditure Statement to the net gain required against the General Fund balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

## **General Accounting Policies (Cont'd)**

### **Note 32 - Accounting Policies (Cont'd)**

#### **14. Financial Assets (Cont'd)**

Any gains or losses that arise on the de-recognition of an asset are credited/debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

#### **Instruments entered into since 1 April 2006**

Any financial guarantees the Council has committed to since 1 April 2006 have been recognised at fair value and assessed for probability of the guarantee being called and the likely amount payable under the guarantee. Any material provision for this has been recognised in the Financial Statements to the extent that provisions might be required or a contingent liability note is needed.

#### **15. Fair Value Measurement**

The Council measures some of its non-financial assets and some of its financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset

The Council measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset, assuming that market participants act in their economic best interest.

When measuring fair value of a non-financial asset, the Council takes into account a market participant's ability to generate economic benefit by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The authority uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets for which fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – unobservable inputs for the asset or liability.

#### **16. Government grants and contributions**

Government grants and other contributions are recognised as due by the Council when there is reasonable assurance that:

- the Council will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

## General Accounting Policies (Cont'd)

### Note 32 - Accounting Policies (Cont'd)

#### 16. Government grants and contributions (Cont'd)

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Account until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified for future economic benefit or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants/contributions) or Taxation and Non Specific Grant Income (non ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund balance in the Movement in Reserves Statement. Where the grant has not yet been used to finance capital expenditure, it is posted to the Capital Grants Unapplied Account. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Account are transferred to the Capital Adjustment Account once they have been applied.

#### 17. Inventories

Inventories are included in the Balance Sheet at the lower of cost and current replacement cost where they are held for distribution at no charge or for a nominal charge; or consumption in the production process of goods to be distributed at no charge or for a nominal charge.

#### 18. Leases

Leases are classified as finance leases where the terms transfer substantially all the risks and rewards incidental to ownership from the lessor to the lessee. All other leases are classified as operational. Where the lease covers both land and buildings, the elements are considered separately for classification.

#### Council as Lessee

##### Finance Leases

Assets held under finance lease are recognised in the Balance Sheet at the start of the lease at its fair value at the lease's inception, or, if lower the present value of the minimum lease payments. The asset recognised is matched by a liability for the obligation to pay. Initial direct costs are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged to revenue in the years they incur. Lease payments are apportioned between:

- a charge for the acquisition of the interest in the asset – applied to write down the lease liability; and
- a finance charge (debited to the Financing and Investment income and Expenditure line in Comprehensive Income and Expenditure Statement).

Assets recognised under the finance lease are accounted for using the policies applied generally to Council owned assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life.

## General Accounting Policies (Cont'd)

### Note 32 - Accounting Policies (Cont'd)

#### 18. Leases (Cont'd)

##### Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense. Charges are made on a straight line basis over the life of the lease, even if it does not match the pattern of payment.

##### **Council as Lessor**

##### Finance Leases

When the Council grants a finance lease over an asset, the asset is written out of the Balance Sheet as a disposal. At the start of the lease the carrying amount of the asset is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain/loss on disposal. A gain, representing the Council's net investment in the lease is credited to the same line in the Comprehensive Income and Expenditure Statement, matched by a lease asset in the Balance Sheet. Lease rentals receivable are apportioned between:

- a receipt for the acquisition of the interest in the asset – applied to write down the lease asset (together with any premiums received); and
- finance income (credited to the Financing and Investment income and Expenditure line in Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund balance and will be required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amounts due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are paid, the element of the charge for the acquisition of the interest in the asset is used to write down the lease asset. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written off value of the disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund balance in the Movement in Reserves Statement.

##### Operating Leases

Where the Council grants an operating lease over an asset, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight line basis over the life of the lease, even if it doesn't match the pattern of payment.

#### 19. Overhead and support services

The costs of overheads and support services are charged to non General Fund services that benefit from the supply in accordance with the costing principles of the CIPFA Service

Reporting Code of Practice 2017/18. The total absorption costing principle is used – the full cost of overheads and support services are shared between those users in proportion to the benefits received.

General Fund Services have not been charged for these support service costs, in line with the Council's budgetary reporting structure.

## **General Accounting Policies (Cont'd)**

### **Note 32 - Accounting Policies (Cont'd)**

#### **20. Public private partnership (PPP) and similar contracts**

PPP and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the private contractor. As the Council is deemed to control the services that are provided under the PPP scheme and as ownership of the property, plant and equipment will pass to the Council at the end of the contract for no additional charge, the Council carries the asset on its Balance Sheet.

#### **21. Provisions**

Provisions are made where an event has taken place that gives the Council a legal obligation or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential and a reliable estimate can be made of the amount of that obligation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year the Council becomes aware of the obligation and measured at the best estimate at the Balance Sheet date, taking account of relevant risks and uncertainties.

When payments are made they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year. Where it becomes less probable that a transfer of economic benefits is required; the provision is reversed and credited back to the relevant service.

#### **22. Interest in Companies and Other Entities**

The Council has material interests in companies and other entities that have the nature of associates/ subsidiaries and require it to prepare group accounts. In the Council's own single entity accounts, the interests of one company is recorded as an investment in the Balance Sheet, as the Council has shares and full ownership of the Clydebank Property Company (purchased during 2014/15). No other interests are recorded in the Council's single entity accounts of any of other organisation.

### **Note 33 – Accounting Standards that have been issued but have not yet been adopted**

For 2017/18, the Code requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This applies to the adoption of the following new or amended standards within the 2018/19 Code:

- IFRS 9 – Financial Instruments – this introduces changes to the classification and measurement of financial assets and for impairing these assets;
- IFRS 15 – Revenue from Contracts with Customers – this provides new requirements for the recognition of revenue;
- Amendments to IAS 12 - Income Taxes – this applies to deferred tax assets related to debt instruments measured at fair value; and
- Amendments to IAS 7 – Statement of Cashflows: Disclosure Initiative – this will result in further disclosures of cashflows from financing activities.

It is not anticipated that the above changes will have a material impact on the information provided in the financial statements.

The Code requires implementation of these from 1 April 2018 and therefore there is no impact on the 2017/18 Statement of Accounts.

## **General Accounting Policies (Cont'd)**

### **Note 34 – Critical Judgement in Applying Accounting Policies**

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies set out in Note 32. Where a critical judgement has been made, this is referred to in the relevant note to the core financial statements; however a summary of those with the most significant effect are detailed below:

**Holiday Entitlement** - Unused holiday entitlement earned at 31 March 2018 but not taken at that date has been quantified on the basis of a sample of all non term time staff. The sample is proportionate to the number of staff within each grade. The calculation in respect of unused annual leave for term time employees is based upon entitlement earned at the year end and no estimation was required for these staff.

**Public Private Partnership (PPP)** - The Council has entered into a PPP for the provision of educational buildings, their maintenance and related facilities. The Council controls the services provided under the scheme and ownership of the schools will pass to the Council at the end of the contract for no additional charge. The assets used to provide services at the schools are recognised on the Council's Balance Sheet.

**Public Sector Funding** – There is a high degree of uncertainty about future levels of funding for local government. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets held might be impaired as a result of a need to close facilities and reduce levels of service provision.

### **Note 35 - Group Accounting Policies: Disclosure of differences with main Statement of Accounting Policies**

The financial statements in the Group Accounts are prepared in accordance with the accounting policies set out in Note 32 on pages 98 to 110 with additions and exceptions noted below:

#### **Group Income and Expenditure Account**

Proceeds from disposal of fixed assets – profits and losses from the disposal of fixed assets are credited or debited to the Group Income and Expenditure Account within the net cost of services. The proceeds are then appropriated out after net operating expenditure. For those proceeds associated with the disposal of the Council's assets, appropriation is to the Group Reserves. For those proceeds associated with the disposal of associates' assets, appropriation is to the Group Income and Expenditure Reserve.

#### **Group Balance Sheet**

Inventories – valuation methods vary slightly across the Group. The Council uses weighted average cost. The difference in valuation methods does not have a material impact on the results of the group given the levels of stock held within the organisations; and

Pensions – West Dunbartonshire Leisure Trust complies with the Financial Reporting Standard FRS102 concerning the disclosure of information on pensions. There is no difference in the Profit and Loss Account by using this method in comparison with IAS19 (which is used by other group entities) therefore there is no impact on the results of the group.



## Glossary of Terms

While much of the terminology used in this report is self explanatory, the following additional definitions and interpretation of the terms used are provided for assistance. The Glossary of Terms does not comprise part of the audited financial statements.

1. **Employee benefit expenses**  
This includes salaries, wages, overtime, bonus, enhancements, pensions, employer's national insurance, travelling and subsistence expenses and other staff allowances.
2. **Other service expenses**  
This includes:
  - property costs (e.g. rent, rates, insurance, repairs and maintenance, upkeep of grounds, heating and lighting);
  - supplies and services (e.g food, materials, books, uniforms and protective clothing, purchase/ maintenance of equipment);
  - transport costs (e.g. fuel, repairs and maintenance, tyres, licences, insurance and procurement of transport for school children);
  - administration costs (e.g. printing and stationery, advertising, postages, telephone costs);
  - Payments to Other Bodies (e.g. grants and payments to individuals, organisations and agencies providing services complementing or supplementing the Council's work.
3. **Specific Government Grants**  
This includes grants received from Central Government in respect of a specific purpose or service, usually calculated as a predetermined percentage of the expenditure actually incurred e.g. National Priority Action Fund, Benefits Administration.
4. **General Income**  
This includes the charges to persons and bodies for the direct use of the Council's services.
5. **Capital Expenditure**  
This is expenditure incurred in creating, acquiring or improving assets where the expenditure is normally financed by borrowing over a period of years, finance leases, or utilising the income from the sale of existing assets.
6. **Capital Financed from Current Revenue**  
This is expenditure incurred in creating, acquiring or improving assets where that expenditure is charged directly to the revenue account.
7. **Deferred Asset**  
The deferred asset represents the net value of the premium paid/discounts received by the Council on the early repayment of external long term loans.
8. **Useable Capital Receipts Reserve**  
The Useable Capital Receipts Reserve represents the capital receipts available to finance capital expenditure in future years, after setting aside the statutory amounts for the repayment of external loans.
9. **Pension Interest Cost**  
The expected increase during the period in the present value of the scheme liabilities because the benefits are one year closer to settlement
10. **Expected Return of Pension Assets**  
The average rate of return expected over the remaining life of the related obligation on the actual assets held.
11. **CIPFA**  
Chartered Institute of Public Finance and Accountancy
12. **LASAAC**  
Local Council (Scotland) Accounts Advisory Committee
13. **Budget**  
The original revenue budget as set by Members at an appropriate Council meeting.
14. **Intangible Assets**  
Expenditure on assets such as software licences that do not have physical substance but are identifiable and controlled by the Council.
15. **Revaluation Reserve**  
This fund is a store of gains on the revaluations of fixed assets. It is a reserve held for technical accounting purposes and is not available for distribution.

## Glossary of Terms (Cont'd)

- 16. Capital Adjustment Account (CAA)**  
This fund is a store of capital resources set aside to meet past expenditure. It is an account held for technical accounting purposes and is not available for distribution.
- 17. Financial Instrument Adjustment Account (FIAA)**  
This account is used to balance for differences in statutory requirements and proper accounting practices for borrowing and lending. It is an account held for technical accounting purposes and is not available for distribution.
- 18. Associate Body**  
An entity other than a subsidiary or a joint venture in which the Council has an interest and over who's operating and financial policies the Council is able to exercise significant influence.
- 19. Entity**  
A body that is delivering a service or carrying on a business. It should have a separate legal personality and is legally obliged to prepare its own financial statements.
- 20. Statutory Additions**  
Additional charges levied for late payment of council tax and non domestic rates.
- 21. Capital Items Replacement Fund**  
Reserve earmarked for specific purposes within Education
- 22. Available for Sale Reserve**  
Assets that have a quoted market price and/or do not have fixed or determinable payments.
- 23. Current Service Costs (Pension)**  
This relates to the real cost of benefit entitlement earned by employees.
- 24. Past Service Costs/Gains (Pension)**  
This relates to posts/gains from years prior to the current year and arise from decisions made in year. In 2016/17 this relates to the capitalised cost of early retirements on efficiency grounds.
- 25. Curtailments (Pension)**  
Used to reduce the number of expected years of future service for employees. In 2016/17 this relates to the capitalised cost of early retirements on efficiency grounds.
- 26. Interest Cost (Pensions)**  
The amount needed to unwind the discount applied in calculating current service cost.
- 27. Expected Return on Assets (Pensions)**  
A measure of the return on the investment assets held by the scheme for the year.
- 28. Public Private Partnership (PPP)/Public Finance Initiative (PFI)**  
A contract between the Council and a private organisation for the provision of new Educational buildings maintenance and related facilities.
- 29. Available for Sale Assets**  
These assets are in relation to Financial Instruments and include:
  - Equity investments; and
  - Other investments traded in an active market.
- 30. Heritage Assets**  
An asset with historical, artistic, scientific, technological, geophysical or environmental qualities which is held for its contribution to knowledge and culture.
- 31. PPE**  
Property, Plant and Equipment.

**WEST DUNBARTONSHIRE COUNCIL**  
**REVENUE BUDGETARY CONTROL 2017/2018**  
**SUMMARY**

**APPENDIX 2**

**PERIOD END DATE**      **31 March 2018**

Department Summary	Total Budget 2017/18	Year End Spend	Variance 2017/18	Annual RAG Status
	£000	£000	£000	%
Resources	4,157	4,253	96	2%
Regulatory	5,460	5,257	(203)	-4%
People & Technology	5,941	5,902	(39)	-1%
Communications, Culture and Community	5,280	5,227	(53)	-1%
Education, Learning and Attainment	87,850	87,912	62	0%
Environment and Neighbourhood	27,471	27,384	(87)	0%
Housing and Employability	4,261	4,199	(62)	-1%
Regeneration	(1,877)	(1,799)	78	-4%
Miscellaneous Services	6,126	6,038	(88)	-1%
Loan Charges	11,443	11,458	15	0%
Requisition (VJB)	718	718	0	0%
Requisition (SPT)	1,784	1,784	0	0%
Requisition (HSCP)	60,547	60,547	0	0%
Non GAE Allocation	(6,684)	(6,516)	168	-3%
Contingency Fund	61	0	(61)	-100%
<b>Total Expenditure</b>	<b>212,538</b>	<b>212,364</b>	<b>(174)</b>	<b>0%</b>
Council Tax/CT Replacement Scheme	(42,239)	(42,454)	(215)	1%
Revenue Support Grant/ NDR	(167,995)	(167,995)	0	0%
Use of Reserves	(2,304)	(2,304)	0	0%
<b>Total Resources</b>	<b>(212,538)</b>	<b>(212,753)</b>	<b>(215)</b>	<b>0%</b>
<b>Net Expenditure</b>	<b>(0)</b>	<b>(389)</b>	<b>(389)</b>	<b>-0.18%</b>

WEST DUNBARTONSHIRE COUNCIL  
REVENUE BUDGETARY CONTROL 2017/2018  
RESOURCES SUMMARY

APPENDIX 2

PERIOD END DATE

31 March 2018

Service / Subjective Summary	Total Budget 2017/18	Year End Spend	Variance 2017/18		Annual RAG Status
Service Summary	£000	£000	£000	%	
Audit	241	223	(18)	-7%	↑
Finance	1,417	1,389	(28)	-2%	↑
Rent Rebates & Allowances	8	106	98	1225%	↓
Revenues & Benefits	2,291	2,261	(30)	-1%	↑
Finance Business Centre	297	272	(25)	-8%	↑
Cost of Collection of Rates	18	115	97	539%	↓
Cost of Collection of Council Tax	(769)	(706)	63	-8%	↓
Procurement	654	593	(61)	-9%	↑
<b>Total Net Expenditure</b>	<b>4,157</b>	<b>4,253</b>	<b>96</b>	<b>2%</b>	<b>↓</b>

WEST DUNBARTONSHIRE COUNCIL  
REVENUE BUDGETARY CONTROL 2017/2018  
REGULATORY SUMMARY

APPENDIX 2

PERIOD END DATE

31 March 2018

Service / Subjective Summary	Total Budget 2017/18	Year End Spend	Variance 2017/18		Annual RAG Status
Service Summary	£000	£000	£000	%	
Democratic and Registration Service	623	653	30	5%	↓
Central Admin Support	2,796	2,726	(70)	-3%	↑
Environmental Health/ Trading Standards	1,105	1,071	(34)	-3%	↑
Licensing	(179)	(229)	(50)	28%	↑
Legal Services	644	578	(66)	-10%	↑
Planning	471	458	(13)	-3%	↑
<b>Total Net Expenditure</b>	<b>5,460</b>	<b>5,257</b>	<b>(203)</b>	<b>-4%</b>	<b>↑</b>

WEST DUNBARTONSHIRE COUNCIL  
REVENUE BUDGETARY CONTROL 2017/2018  
PEOPLE AND TECHNOLOGY

APPENDIX 2

PERIOD END DATE

31 March 2018

Service / Subjective Summary	Total Budget 2017/18	Year End Spend	Variance 2017/18		Annual RAG Status
Service Summary	£000	£000	£000	%	
Transactional Services	683	688	5	1%	↓
Human Resources (including risk)	1,221	1,178	(43)	-4%	↑
Information Services	3,573	3,605	32	1%	↓
Change Support	464	431	(33)	-7%	↑
<b>Total Net Expenditure</b>	<b>5,941</b>	<b>5,902</b>	<b>(39)</b>	<b>-1%</b>	<b>↑</b>

WEST DUNBARTONSHIRE COUNCIL  
REVENUE BUDGETARY CONTROL 2017/2018  
COMMUNICATIONS, CULTURE AND COMMUNITIES

APPENDIX 2

PERIOD END DATE

31 March 2018

Service / Subjective Summary	Total Budget 2017/18	Year End Spend	Variance 2017/18		Annual RAG Status
	£000	£000	£000	%	
Communications & Marketing	313	298	(15)	-5%	↑
Customer Service	1,332	1,183	(149)	-11%	↑
Performance & Strategy	337	334	(3)	-1%	↑
Libraries, Museums, Culture	3,043	3,090	47	2%	↓
Clydebank Town Hall	255	322	67	26%	↓
<b>Total Net Expenditure</b>	<b>5,280</b>	<b>5,227</b>	<b>(53)</b>	<b>-1%</b>	<b>↑</b>

**WEST DUNBARTONSHIRE COUNCIL**  
**REVENUE BUDGETARY CONTROL 2017/2018**  
**EDUCATION, LEARNING AND ATTAINMENT**

**APPENDIX 2**

**PERIOD END DATE**

**31 March 2018**

Service / Subjective Summary	Total Budget 2017/18	Year End Spend	Variance 2017/18		Annual RAG Status
Service Summary	£000	£000	£000	%	
Primary Schools	24,781	24,772	(9)	0%	↑
Secondary Schools	23,669	23,774	105	0%	↓
Specialist Educational Provision	14,480	14,615	135	1%	↓
Psychological Services	489	519	30	6%	↓
Sport Development / Active Schools	553	553	0	0%	→
Early Education	7,511	7,194	(317)	-4%	↑
PPP	14,253	14,282	29	0%	↓
Curriculum for Excellence	281	281	0	0%	→
Central Admin	126	188	62	49%	↓
Workforce CPD	286	287	1	0%	↓
Performance & Improvement	391	415	24	6%	↓
Education Development	1,030	1,032	2	0%	↓
Raising Attainment - Primary	0	0	0	0%	→
Raising Attainment - Secondary	0	0	0	0%	→
Pupil Equity	0	0	0	0%	→
Total Net Expenditure	87,850	87,912	62	0%	↓



WEST DUNBARTONSHIRE COUNCIL  
REVENUE BUDGETARY CONTROL 2017/2018  
ENVIRONMENT AND NEIGHBOURHOOD

APPENDIX 2

PERIOD END DATE

31 March 2018

Service / Subjective Summary	Total Budget 2017/18	Year End Spend	Variance 2017/18	Annual RAG Status	
Service Summary	£000	£000	£000	%	
Office Accommodation	1,619	1,665	46	3%	↓
Transport, Fleet & Maintenance Services	(377)	(377)	0	0%	→
Catering Services	4,028	3,997	(31)	-1%	↑
Building Cleaning	1,461	1,438	(23)	-2%	↑
Building Cleaning PPP	(181)	(211)	(30)	17%	↑
Facilities Assistants	2,158	1,843	(315)	-15%	↑
Facilities Management	339	314	(25)	-7%	↑
Roads Operations	(876)	(817)	59	-7%	↓
Roads Services	4,517	4,494	(23)	-1%	↑
Grounds Maintenance & Street Cleaning Client	7,463	7,463	0	0%	→
Outdoor Services	268	259	(9)	-3%	↑
Leisure Management	3,406	3,464	58	2%	↓
Events	123	108	(15)	-12%	↑
Burial Grounds	(59)	36	95	-161%	↓
Crematorium	(953)	(828)	125	-13%	↓
Waste Services	6,918	6,910	(8)	0%	↑
CPP Investments	0	0	0	0%	→
Depots	0	0	0	0%	→
Ground Maintenance & Street Cleaning Trading A/c	(2,383)	(2,374)	9	0%	↓
Total Net Expenditure	27,471	27,384	(87)	0%	↑

WEST DUNBARTONSHIRE COUNCIL  
REVENUE BUDGETARY CONTROL 2017/2018  
HOUSING AND EMPLOYABILITY

APPENDIX 2

PERIOD END DATE

31 March 2018

Service / Subjective Summary	Total Budget 2017/18	Year End Spend	Variance 2017/18		Annual RAG Status
Service Summary	£000	£000	£000	%	
Working 4 U	2,599	2,600	1	0%	↓
Communities	787	668	(119)	-15%	↑
Homeless Persons	19	172	153	805%	↓
Private Sector housing	45	57	12	27%	↓
Anti Social Behaviour	719	633	(86)	-12%	↑
Private Sector Housing Grants	92	69	(23)	-25%	↑
<b>Total Net Expenditure</b>	<b>4,261</b>	<b>4,199</b>	<b>(62)</b>	<b>-1%</b>	<b>↑</b>

WEST DUNBARTONSHIRE COUNCIL  
REVENUE BUDGETARY CONTROL 2017/2018  
REGENERATION

APPENDIX 2

PERIOD END DATE

31 March 2018

Service / Subjective Summary	Total Budget 2017/18	Year End Spend	Variance 2017/18	Annual RAG Status
<b>Service Summary</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
Housing Maintenance Trading A/c	(1,472)	(948)	524	-36% ↓
Corporate Assets and Capital Investment Programme	(3,117)	(2,972)	145	-5% ↓
Economic Development	483	434	(49)	-10% ↑
Central Repairs & Maintenance	1,247	710	(537)	-43% ↑
Consultancy Services	982	977	(5)	-1% ↑
<b>Total Net Expenditure</b>	<b>(1,877)</b>	<b>(1,799)</b>	<b>78</b>	<b>-4% ↓</b>

WEST DUNBARTONSHIRE COUNCIL  
REVENUE BUDGETARY CONTROL 2017/2018  
MISCELLANEOUS

APPENDIX 2

PERIOD END DATE

31 March 2018

Service / Subjective Summary	Total Budget 2017/18	Year End Spend	Variance 2017/18		Annual RAG Status
Service Summary	£000	£000	£000	%	
Sundry Services	3,743	3,603	(140)	-4%	↑
Members Allowances, etc	569	574	5	1%	↓
CPP	27	14	(13)	-48%	↑
European Employability	510	510	0	0%	→
Chief Executive, Directors and Strategic Leads	1,277	1,337	60	5%	↓
<b>Total Net Expenditure</b>	<b>6,126</b>	<b>6,038</b>	<b>(88)</b>	<b>-1%</b>	<b>↑</b>

YEAR END DATE

31 March 2018

Budget Details	Variance Analysis			
	Total Budget	Actual Spend	Variance	RAG Status
	£000	£000	£000	%

## Resources

Rent Rebates & Allowances	8	106	98	1225%	↓
Service Description	This service provides rent relief for council and private sector tenants, mainly funded by Central Government				
Main Issues / Reason for Variance	The main reason is the in-year recovery of Housing benefits overpayments was lower than budgeted. This income line is difficult to predict due to the variable nature of overpayments each year.				
Cost of Collection of Rates	18	115	97	539%	↓
Service Description	This service collects Non Domestic Rates from local (and some national) organisations on behalf of Scottish Government				
Main Issues / Reason for Variance	The main reason is that statutory additions were lower than budgeted as a result of a lower value of arrears being subject to statutory addition charges. In addition the top-up to the Bad Debt position was higher than budgeted.				
Cost of Collection of Council Tax	(769)	(706)	63	-8%	↓
Service Description	This service collects Council tax from local residents. The services also provides support and advice to those residents regarding council tax				
Main Issues / Reason for Variance	The main reason is that statutory additions were lower than budgeted as a result of a lower value of arrears being subject to statutory addition charges. In addition the top-up to the Bad Debt Provision for Statutory Additions was higher than budgeted.				
Procurement	654	593	(61)	-9%	↑
Service Description	This service provides a purchasing & procurement service for the Council				
Main Issues / Reason for Variance	The main reason is that there was some additional staff turnover towards the end of the financial year. Posts have now all been filled.				

YEAR END DATE

31 March 2018

Budget Details	Variance Analysis				
	Total Budget	Actual Spend	Variance	RAG Status	
	£000	£000	£000	%	
Regulatory					
Central Admin Support	2,796	2,726	(70)	-3%	↑
Service Description	This services deals with the administration functions and Democratic Services within the Authority				
Main Issues / Reason for Variance	The main reason is due to staff turnover and the time taken to fill posts.				
Licensing	(179)	(229)	(50)	28%	↑
Service Description	This service provides all licensing on behalf of the Council				
Main Issues / Reason for Variance	Main reason for the variance is that income received was higher than anticipated - primarily due to taxi drivers and new private hire vehicles				
Legal Services	644	578	(66)	-10%	↑
Service Description	This services provides legal advice to the Council				
Main Issues / Reason for Variance	The main reason is due to staff turnover and the time taken to fill posts. Also as a result of retirement resulting in savings.				
Communications, Culture & Community					
Customer Service	1,332	1,183	(149)	-11%	↑
Service Description	This service includes one stop shops and the contact centre				
Main Issues / Reason for Variance	This favourable variance is due to vacant posts, mainly due to an ongoing restructure.				
Clydebank Town Hall	255	322	67	26%	↓
Service Description	The service provides civic accommodation and facilities within Clydebank				
Main Issues / Reason for Variance	The overall overspend is due to an accumulation of smaller overspends. The main areas overspending are employee costs due to additional overtime being worked. Less income from events than anticipated and more costs associated with the purchase of food provisions than anticipated.				

YEAR END DATE

31 March 2018

Budget Details		Variance Analysis			
		Total Budget	Actual Spend	Variance	RAG Status
		£000	£000	£000	%
Education , Learning and Attainment					
Secondary Schools	23,669	23,774	105	0%	↓
Service Description	This service area includes all Secondary Schools.				
Main Issues / Reason for Variance	Teacher employee costs are showing an adverse variance due to an overspend on cover and maternity leave as well as basic salaries (though this is partly offset by additional income attributable to income from the Scottish Government for a secondment). In addition property costs are over budget due to additional rates on the new OLSP as well as continuing rates at the old building (pending demolition). These overspends have been offset by reduced payments on EMAs, exam fees, utilities and transport.				
Specialist Educational Provision	14,480	14,615	135	1%	↓
Service Description	This service area covers all ASN Services.				
Main Issues / Reason for Variance	Employee Costs are showing an underspend mainly due to staff vacancies. Property Costs are overspent due a further twelve month rent for Choices occupancy of Skypoint. Payments to Other Bodies are overspent due to more children being placed within Daycare Placements (11% higher than 2016/17) and Residential Placements (21% higher than 2016/17).				
Early Education	7,511	7,194	(317)	-4%	↑
Service Description	This services area includes all Early Years establishments within West Dunbartonshire.				
Main Issues / Reason for Variance	There are delays in implementation of projects in relation to additional hours for 3-5 years and the implementation of the Young Persons Bill.				
Central Admin	126	188	62	49%	↓
Service Description	This service area covers centrally-held Education costs				
Main Issues / Reason for Variance	This overspend was mainly in relation to staff turnover not being met and additional expenditure required on software and licences				
Environment and Neighbourhood					
Facilities Assistants	2,158	1,843	(315)	-15%	↑
Service Description	This service provides janitors throughout WDC buildings				
Main Issues / Reason for Variance	There has been a reduction in Facilities Assistant costs for a variety of reasons - such as: rationalisation of schools estate and campus approach; vacant posts currently advertised for filling; reduction in overtime due to less out of hours requests (which also reduces income chargeable)				

YEAR END DATE

31 March 2018

Budget Details	Variance Analysis				
	Total Budget	Actual Spend	Variance		RAG Status
	£000	£000	£000	%	
Roads Operations	(876)	(817)	59	-7%	↓
Service Description	This service covers the delivery of roads works orders raised				
Main Issues / Reason for Variance	The adverse variance is due to additional costs incurred from the severe weather				
Leisure Management	3,406	3,464	58	2%	↓
Service Description	Payment to WDLT for leisure services				
Main Issues / Reason for Variance	The main reason for this variance is additional costs in relation to utility costs of Playdrome, following its closure and transfer back to the Council				
Burial Grounds	(59)	36	95	-161%	↓
Service Description	This service provides burial services within the Council area				
Main Issues / Reason for Variance	The main reason for the adverse variance is due to income from burials being less than anticipated				
Crematorium	(953)	(828)	125	-13%	↓
Service Description	This service provides crematorium services within the Council area				
Main Issues / Reason for Variance	The main reason for the adverse variance is due to income from cremations being less than anticipated				
Housing and Employability					
Communities	787	668	(119)	-15%	↑
Service Description	This service provides support to communities				
Main Issues / Reason for Variance	This favourable variance is due to vacant posts held pending restructure together with lower than anticipated payments to other bodies				
Homeless Persons	19	172	153	805%	↓
Service Description	This service seeks to prevent homelessness occurring across the authority and improves access to support services				
Main Issues / Reason for Variance	Income from the expanded Ashton View project was underachieved due to the delay in opening of the new facility as a result of build works taking longer than planned.				
Anti Social Behaviour	719	633	(86)	-12%	↑
Service Description	This is the provision of the anti social behaviour service within the Council area				
Main Issues / Reason for Variance	This favourable variance is due to vacant posts				



YEAR END DATE

31 March 2018

Budget Details	Variance Analysis				RAG Status
	Total Budget	Actual Spend	Variance		
	£000	£000	£000	%	
Regeneration					
Housing Maintenance Trading A/c	(1,472)	(948)	524	-36%	↓
Service Description	This service provides council housing maintenance				
Main Issues / Reason for Variance	The adverse variance is due to various factors as the service modernises, adjusts to changing workstreams and the extended timeline to implement the IHMS. Realising surpluses from responsive repair budgets and some capital projects is challenging and work is on-going to allow improvements in service delivery and productivity which will help improve profitability.				
Corporate Assets and Capital Investment Programme	(3,117)	(2,972)	145	-5%	↓
Service Description	This service provides asset and estate management				
Main Issues / Reason for Variance	The main reason for the overspend is reduced rental income due to market conditions				
Central Repairs & Maintenance	1,247	710	(537)	-43%	↑
Service Description	This service manages and undertakes repairs and maintenance to public buildings.				
Main Issues / Reason for Variance	The main reason for the favourable variance is due to additional income from undertaking more internal capital works than had been budgeted				
Miscellaneous					
Sundry Services	3,743	3,603	(140)	-4%	↑
Service Description	This service area budgets for non departmental specific costs such as pensions costs, external grants and elderly welfare payments, external audit fees and insurance costs. The service heading also holds a number of general savings options which have still to be fully allocated				
Main Issues / Reason for Variance	An adverse variance was recorded as a result of non achieving the shared services target. Costs were also incurred due to poor weather in February and March 2018. However these issues were offset by the release of earmarked funds which were no longer required, following year-end review.				
Chief Executive, Directors and Strategic Leads	1,277	1,337	60	5%	↓
Service Description	This budget includes spend relating to the Senior Management Team of the Council				
Main Issues / Reason for Variance	The adverse variance is due to staffing vacancy turnover target not being achieved, due to no vacancies				

YEAR END DATE

31 March 2018

Budget Details	Variance Analysis				RAG Status
	Total Budget	Actual Spend	Variance		
	£000	£000	£000	%	
Other					
Non GAE Allocation	(6,684)	(6,516)	168	-3%	↓
Service Description	This is the allocation of support service costs to other council services - excluding General Services) - such as HRA, capital, external bodies				
Main Issues / Reason for Variance	This adverse variance is due to the allocation of central administration to non GAE services being lower than budgeted				
Contingency Fund	61	0	(61)	-100%	↑
Service Description	The contingency fund is used to accommodate externally influenced movements in service budgets				
Main Issues / Reason for Variance	Additional general funding has been recognised within the contingency fund, net of additional expected spend due to recent weather conditions.				
Council Tax/CT Replacement Scheme	(42,239)	(42,454)	(215)	1%	↑
Service Description	This details amounts of income anticipated to be collected from residents in the form of Council tax				
Main Issues / Reason for Variance	Level of Council Tax charges are higher than budgeted due to the level of debt write off through sequestration, etc being less than anticipated.				

**WEST DUNBARTONSHIRE COUNCIL**  
**HRA REVENUE BUDGETARY CONTROL 2017/2018**

**Appendix 4**

**PERIOD END DATE**

**31 March 2018**

Subjective Summary	Total Budget 2017/18	Outturn 17/18	Forecast Variance 2017/18		Annual RAG Status
Employee Costs	4,702	4,835	133	3%	↓
Property Costs	1,819	1,783	(36)	-2%	↑
Transport Costs	105	95	(10)	0%	↑
Supplies, Services And Admin	363	347	(16)	-4%	↑
Support Services	2,640	2,532	(108)	-4%	↑
Other Expenditure	157	293	136	87%	↓
Repairs & Maintenance	12,670	12,009	(662)	-5%	↑
Bad Debt Provision	1,060	883	(177)	-17%	↑
Void Loss (Council Tax/Lost Rents)	1,228	1,155	(73)	-6%	↑
Loan Charges	18,460	18,460	0	0%	→
<b>Total Expenditure</b>	<b>43,205</b>	<b>42,392</b>	<b>(813)</b>	<b>-2%</b>	<b>↑</b>

House Rents	40,205	39,816	389	1%	↓
Lockup Rents	227	229	(2)	-1%	↑
Factoring/Insurance Charges	1,136	1,112	24	2%	↓
Other rents	143	132	11	8%	↓
Interest on Revenue Balance	46	62	(16)	-35%	↑
Miscellaneous income	757	740	17	2%	↓
Reallocated salaries	691	759	(68)	-10%	↑
<b>Total Income</b>	<b>43,205</b>	<b>42,851</b>	<b>354</b>	<b>1%</b>	<b>↓</b>

<b>Net Expenditure</b>	<b>(0)</b>	<b>(459)</b>	<b>(459)</b>
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WEST DUNBARTONSHIRE COUNCIL  
HRA REVENUE BUDGETARY CONTROL 2017/2018  
ANALYSIS FOR VARIANCES OVER £50,000

Appendix 5

MONTH END DATE

31 March 2018

Budget Details		Variance Analysis			
Subjective Analysis		Budget	Forecast Spend	forecast Variance	RAG Status
		£000	£000	£000	%
<b>EMPLOYEE COSTS</b>		4,702	4,835	133	3%
<b>Subjective Description</b>					
This budget covers all employees charged directly to the HRA including caretakers					
<b>Variance Narrative</b>					
<b>Main Issues</b>	Overspend in salary costs due to staff recharges from other services being higher than budgeted as a result of restructures and realignment of roles within the workforce (£104k). This is partially offset by a higher than anticipated recharge of HRA staff to non HRA services (£68k as detailed in reallocated salaries variance below).				

Budget Details		Variance Analysis			
Subjective Analysis		Budget	Forecast Spend	forecast Variance	RAG Status
		£000	£000	£000	%
Support Services		2,640	2,532	(108)	-4%
<b>Service Description</b>					
This budget covers central support recharges to the HRA					
<b>Variance Narrative</b>					
<b>Main Issues</b>	A review of the support services allocation across all services was undertaken during 2017/18 to reflect the revised current service structures. This resulted in the amount to be recharged to the HRA to be less than budgeted.				

Budget Details		Variance Analysis			
Subjective Analysis		Budget	Forecast Spend	forecast Variance	RAG Status
		£000	£000	£000	%
<b>OTHER EXPENDITURE</b>		157	293	136	87%
<b>Service Description</b>					
This budget covers strategy expenditure as well as legal fees, bank charges, rent abatements, tenancy sustainment work and factor's commission					
<b>Variance Narrative</b>					
<b>Main Issues</b>	The main reason for this overspend relates to the Tenancy Sustainment element of the payment to Women's Aid (£82k) which is now being met from the HRA rather than the general fund following a review of where it was appropriate to pay this from. Other reasons are: an increase in legal expenses (£27k) in relation to summons costs and monthly court fees; and an increase in rent abatements (£27k) due to void initiatives.				

Budget Details		Variance Analysis			
Subjective Analysis		Budget	Forecast Spend	forecast Variance	RAG Status
		£000	£000	£000	%
<b>REPAIRS &amp; MAINTENANCE</b>		12,670	12,009	(662)	-5%
<b>Service Description</b>					
This budget covers all repair and maintenance expenditure to houses and lockups					
<b>Variance Narrative</b>					

<b>Main Issues</b>	A large part of the budget for these costs are demand led so can fluctuate significantly from year to year. The main area of underspend is in the cost of gas/ventilation/lift repair and maintenance costs (£315k) which is due to a combination of improved contract rates and less repairs required due to capital investment and regular maintenance. There is also higher than anticipated contributions towards the cost of repairs from home owners due to the nature of some of the repairs being carried out (£260k).
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Budget Details		Variance Analysis			
Subjective Analysis		Budget	Forecast Spend	forecast Variance	RAG Status
		£000	£000	£000	%
Bad Debt Provision		1,060	883	(177)	-17% ↑
<b>Service Description</b>					
This budget allows for the provision for bad and doubtful debts to be maintained at an appropriate level					
<b>Variance Narrative</b>					
<b>Main Issues</b>	Based on current debt information, the bad debt top up required is lower than anticipated at time of budget setting.				

Budget Details		Variance Analysis			
Subjective Analysis		Budget	Forecast Spend	forecast Variance	RAG Status
		£000	£000	£000	%
LOST RENTS		1,228	1,155	(73)	-6% ↑
<b>Service Description</b>					
Rents lost/ Council Tax due on void houses and lockups					
<b>Variance Narrative</b>					
<b>Main Issues</b>	There has been an improvement in lost rental due to management action to improve processes around voids to achieve faster turnaround and improve the appeal of harder to let properties.				

Budget Details		Variance Analysis			
Subjective Analysis		Budget	Forecast Spend	forecast Variance	RAG Status
		£000	£000	£000	%
HOUSE RENTS		(40,205)	(39,816)	389	-1% ↓
<b>Service Description</b>					
Rental income from houses					
<b>Variance Narrative</b>					
<b>Main Issues</b>	The stock number available for letting has been lower than assumed in budget due to tenants moving out of properties scheduled to be demolished earlier than expected. Once such properties are empty they are removed from the stock numbers. The number of right to buys has also been higher than assumed in budget.				

MONTH END DATE

31 March 2018

PERIOD

Year End

Department Summary	Total Budget 2017/18	Actual Spend 2017/18	Actual Variance 2017/18	Slippage	Over/ (Under) Spend	RAG Status	
	£000	£000	£000	%	£000	£000	
Queens Quay - Regeneration	13,950	2,454	(11,496)	0%	(11,496)	0	↓
Replace Elderly Care Homes and Day Care Centres	6,981	369	(6,612)	0%	(6,612)	0	↓
Schools Estate Improvement Plan	5,000	0	(5,000)	0%	(5,000)	0	↓
Regeneration/Local Economic Development	2,766	446	(2,319)	0%	(2,319)	0	↓
Levensgrove Park - Restoration & Regeneration	3,320	1,160	(2,160)	0%	(2,160)	0	↓
Building Upgrades and H&S - lifecycle & reactive building upgrades	4,976	2,885	(2,091)	0%	(2,089)	(2)	↓
Posties Park Sports Hub - New sports hub to include Gym & running track	1,778	36	(1,742)	0%	(1,742)	0	↓
Children and Young Persons / Early Years	1,924	341	(1,583)	0%	(1,583)	0	↓
Community Capital Fund	1,783	329	(1,454)	0%	(1,454)	0	↓
Clydebank Community Sports Hub	2,646	1,294	(1,352)	0%	(1,352)	0	↓
Queens Quay District Heating Network	2,480	1,327	(1,153)	0%	(1,153)	0	↓
Dalmonach CE Centre	1,122	27	(1,095)	0%	(1,095)	0	↓
Environmental Improvement Fund	1,359	444	(915)	0%	(915)	0	↓
Regeneration Fund	800	0	(800)	0%	(800)	0	↓
Holm Park & Yoker Athletic FC	750	0	(750)	0%	(750)	0	↓
Choices Programme - to assist young people who require additional support	748	17	(731)	0%	(731)	0	↓
Exxon City Deal - alternative A82 route	1,155	468	(687)	0%	(687)	0	↓
Invest in "Your Community Initiative"	963	398	(565)	0%	(565)	0	↓
Vale of Leven Cemetery Extension	495	5	(490)	0%	(490)	0	↓
Gruggies Burn Flood Prevention	485	36	(449)	0%	(449)	0	↓
Infrastructure - Roads	2,635	2,199	(436)	0%	(436)	(0)	↓
Allotment Development	400	0	(400)	0%	(400)	0	↓
Strathleven Park and Ride Car Park	285	0	(285)	0%	(285)	0	↓
New Play & Recreation at Radnor Park, including MUGA	260	10	(250)	0%	(250)	0	↓
New Levensvale Primary School All Weather Pitch	250	0	(250)	0%	(250)	0	↓
Leisure Energy projects - air handling units, upgrade lighting, circulating pumps, and draught proofing	246	2	(244)	0%	(244)	0	↓
Kilmaronock Cemetery Extension	225	0	(225)	0%	(225)	0	↓
St. Patrick's PS New Play Upgrades	200	0	(200)	0%	(200)	0	↓
OLSP - New Build	480	313	(167)	0%	(167)	0	↓
New Sports Changing Facility at Lusset Glen in Old Kilpatrick	150	0	(150)	0%	(150)	0	↓
Pappert Woodland Wind Farm	139	20	(119)	0%	(119)	0	↓
Project to bring scaffolding in-house	717	0	(717)	0%	0	(717)	↓
Kilpatrick School - New Build	197	240	43	0%	0	43	↓
New Clydebank Leisure Centre	508	76	(432)	0%	(432)	0	↓
Flood Risk Management	448	41	(407)	0%	(407)	0	↓
ICT Modernisation	1,161	775	(386)	0%	(386)	(0)	↓
Integrated Housing Management System	546	145	(401)	0%	(331)	(70)	↓
Upgrade of Clydebank Library	450	211	(239)	0%	(239)	0	↓
Community Sports Fund	330	129	(201)	0%	(201)	0	↓
Auld Street Clydebank - Bond	256	68	(188)	0%	(188)	0	↓
Vehicle Replacement	1,597	1,413	(184)	0%	(181)	(2)	↓
Free School Meals	150	12	(138)	0%	(138)	0	↓
Bereavement Service Office Conversion	128	0	(128)	0%	(128)	0	↓
Schools Estate Refurbishment Plan	1,188	1,060	(128)	0%	(126)	(2)	↓
Mandatory 20mph Residential communities	100	5	(95)	0%	(95)	0	↓
Footways/Cycle Path Upgrades	100	20	(80)	0%	(80)	0	↓
Purchase of 3 Welfare Units	78	0	(78)	0%	(78)	0	↓
Online Payment System for Education Establishments	52	0	(52)	0%	(52)	0	↓
Sports Facilities Upgrades	90	44	(46)	0%	(46)	0	↓
Cycling, Walking and Safer Streets	76	38	(38)	0%	(38)	0	↓
Strathclyde Partnership for Transport - Bus, cycling and walking infrastructure improvements	110	74	(36)	0%	(35)	(0)	↓
Legal Case Management System	33	0	(33)	0%	(33)	0	↓
ICT Security & DR	221	194	(27)	0%	(27)	0	↓
Direct Project Support	2,682	2,928	246	0%	0	246	↓
Office Rationalisation	9,396	10,342	946	0%	946	(0)	↓
Aitkenbar PS, St Peters PS, Andrew Cameron EE&CC	668	208	(460)	0%	(460)	0	↑
Change of heating fuel - fuel conversion from oil to gas	63	20	(43)	0%	(43)	0	↑
Multi-Channel Queries -Webchat Technology	33	0	(33)	0%	(33)	0	↑
Public non-adopted paths and roads	171	142	(29)	0%	(29)	0	↑
Civic Heart Works - Refurbishment of Clydebank Town Hall	44	20	(24)	0%	(24)	0	↑
Antonine Wall - Preservation and Promotion for Education & Tourism	29	11	(18)	0%	(18)	0	↑
Solar panel installation 16/17 - St Stephen's PS & St Mary's PS (Duntocher)	28	19	(9)	0%	(9)	0	↑
Street lighting and associated electrical infrastructure	303	294	(9)	0%	(9)	0	↑
Electronic Insurance System - claim/ incident management system	7	0	(7)	0%	(7)	0	↑
Turnberry Homes - traffic calming/ management at Turnberry housing development off Castle Road	7	0	(7)	0%	(7)	0	↑
GP/GIS in Planning	5	0	(5)	0%	(5)	0	↑
Workforce Management System	5	1	(4)	0%	(4)	0	↑
Valuation Joint Board - Requisition of ICT Equipment	3	0	(3)	0%	(3)	0	↑
E Building Standards - System Software	8	5	(3)	0%	(3)	0	↑
Infrastructure - Flooding	100	76	(24)	0%	0	(24)	↑
HAVS equipment purchase	50	47	(3)	0%	0	(3)	↑
General Noise Monitoring Equipment	10	8	(2)	0%	0	(2)	↑
Energy Efficient Street Lighting Apparatus	47	46	(1)	0%	0	(1)	↑
Air Quality Monitoring	8	7	(1)	0%	0	(1)	↑
Members ICT	4	3	(1)	0%	0	(1)	↑
Lennox PS and St Ronan's PS	3	3	(0)	0%	0	(0)	↑
Path Upgrade Lussett Glen	19	19	(0)	0%	0	(0)	↑
Replacement Scanners	15	15	0	0%	0	0	↑
Education ICT Active Equipment	213	213	0	0%	0	0	↑
Agresso Upgrade	2	1	(1)	0%	0	(1)	↑
Special Needs - Aids & Adaptations for HSCP clients	655	656	1	0%	0	1	↑
Medical Centre, Alexandria - Demolition	0	1	1	100%	0	1	↑
36-38 Bank Street, Alexandria - Demolition	0	1	1	100%	0	1	↑

MONTH END DATE

31 March 2018

PERIOD

Year End

Department Summary	Total Budget 2017/18	Actual Spend 2017/18	Actual Variance 2017/18	Slippage	Over/ (Under) Spend	RAG Status
	£000	£000	£000	%	£000	£000
Internal and External Alterations at Balloch Library	0	3	3	100%	0	3
North Dalnottar Cemetery Extension	0	3	3	100%	0	3
Vale of Leven Workshops	46	49	3	0%	0	3
Chromebooks for Schools	0	6	6	100%	0	6
Service Redesign Bruce Street - new disability learning facility	7	17	10	0%	0	10
Free wi-fi in libraries, new care homes and one stop shops	7	22	15	0%	0	15
Dumbarton Cemetery - Design & Construction of New Cemetery	0	19	19	100%	0	19
Clydebank Crematorium - New Cremators	0	35	35	100%	0	35
New Westbridgend Community Centre	0	40	40	100%	40	0
Depot Urgent Spend	43	89	46	0%	46	0
New Balloch Campus	10,000	10,704	704	0%	704	0
<b>Total Expenditure</b>	<b>93,967</b>	<b>45,198</b>	<b>(48,769)</b>	<b>0%</b>	<b>(48,328)</b>	<b>(441)</b>
Resources Carried Forward	(473)	(152)	321	0%	321	0
General Services Capital Grant	(9,920)	(9,833)	87	0%	0	87
Ring Fenced Government Grant Funding	(5,096)	(1,897)	3,199	0%	3,199	0
Match Funding / Other Grants and Contributions	(5,129)	(408)	4,721	0%	4,730	(9)
Capital Receipts	(15,542)	(1,162)	14,380	0%	14,317	63
Prudential Borrowing	(57,068)	(31,130)	25,938	0%	25,638	300
CFCR	(740)	(616)	123	0%	123	0
<b>Total Resources</b>	<b>(93,967)</b>	<b>(45,198)</b>	<b>48,769</b>	<b>0%</b>	<b>48,328</b>	<b>441</b>
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>(0)</b>	<b>0</b>

WEST DUNBARTONSHIRE COUNCIL  
GENERAL SERVICES CAPITAL PROGRAMME  
OVERALL PROGRAMME SUMMARY

APPENDIX 6A

MONTH END DATE 31 March 2018

PERIOD Year End

Project Status Analysis	Project Life Status Analysis				Current Year Project Status Analysis			
	Number of Projects at RAG Status	% Projects at RAG Status	Spend to Date £000	% Project Spend at RAG Status	Number of Projects at RAG Status	% Projects at RAG Status	Spend to Date £000	% Project Spend at RAG Status
Red								
Projects are forecast to be overspent and/or experience material delay to completion	33	35.9%	47,912	31.1%	33	35.9%	14,821	32.8%
Amber								
Projects are either at risk of being overspent and/or delay in completion (although this is unquantifiable at present) or the project has any issues that require to be reported at this time	22	23.9%	63,178	41.0%	22	23.9%	17,577	38.9%
Green								
Projects are on target both in relation to overall budget and the forecast stages in the project life cycle and no issues are anticipated at this time	37	40.2%	43,062	27.9%	37	40.2%	12,800	28.3%
TOTAL EXPENDITURE	92	100%	154,152	100%	92	100%	45,198	100%

Project Status Analysis	Project Life Financials				Current Year Financials					
	Budget £000	Spend to Date £000	Forecast Spend £000	Forecast Variance £000	Budget £000	Spend to Date £000	Forecast Spend £000	Forecast Variance £000	Slippage £000	Over/ (Under) £000
Red										
Projects are forecast to be overspent and/or significant delay to completion	182,867	47,912	183,740	874	61,665	14,821	14,821	(46,844)	(46,168)	(676)
Amber										
Projects are either at risk of being overspent and/or delay in completion (although this is unquantifiable at present) or the project has any issues that require to be reported at this time	67,201	63,178	67,644	443	19,700	17,577	17,577	(2,123)	(2,295)	172
Green										
Projects are on target both in relation to overall budget and the forecast stages in the project life cycle and no issues are anticipated at this time	63,085	43,062	63,207	122	12,602	12,800	12,800	198	135	63
TOTAL EXPENDITURE	313,153	154,152	314,591	1,438	93,967	45,198	45,198	(48,769)	(48,328)	(441)

TOTAL RESOURCES	(313,153)	(154,152)	(314,591)	(1,438)	(93,967)	(45,198)	(45,198)	48,769	-51.90%	-0.47%
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NET EXPENDITURE	0	0	0	0	0	0	0	0		
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MONTH END DATE

31 March 2018

PERIOD

Year End

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast / Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%
<b>Choices Programme - to assist young people who require additional support</b>						
Project Life Financials	750	19	2%	750	0	0%
Current Year Financials	748	17	2%	17	(731)	-98%
Project Description	Bringing together Central Support Services which will include relocation of Choices Programme.					
Project Lifecycle	Planned End Date	31-Mar-17	Forecast End Date	31-Oct-18		
<b>Main Issues / Reason for Variance</b>						
Project was dependant on new Balloch Campus delivery dates and cannot commence until Jamestown PS had been vacated. Work commenced 23 April 2018 following building warrant being received the week before. Rot has been discovered giving rise to additional work however is anticipated that no original budget will be required. Anticipated to be physically completed by end of October 2018 with defect period which will see retentions paid October 2019.						
<b>Mitigating Action</b>						
None available at this time awaiting Jameston being evacuated.						
<b>Anticipated Outcome</b>						
New modern facility for Choices delivering a saving of £0.049m per annum. As no mitigation is available then the project will slip as described.						
<b>Kilpatrick School - New Build</b>						
Project Life Financials	10,487	10,510	100%	10,582	95	1%
Current Year Financials	197	240	122%	240	43	22%
Project Description	Design and build of construction of Additional Support Needs School					
Project Lifecycle	Planned End Date	30-Jun-18	Actual End Date	30-Nov-17		
<b>Main Issues / Reason for Variance</b>						
Phase 2 physical works completed and practical completion achieved. Japanese Knotweed reliance letter is in place, however the final account (including final asbestos costs) is still outstanding and anticipated to exceed budget. WDC continue to request missing asbestos information from Hub West Scotland. Legal contract notice to be raised if asbestos information is not provided by August 2018 in order to achieve final account. An assumption for the additional asbestos costs, indicate an anticipated project life overspend of £0.095m. Project physically complete November 2017 with retentions due to be paid November 2018.						
<b>Mitigating Action</b>						
Opportunities to mitigate are limited. If asbestos report and final account not received by August 2018, legal contract notice will be raised.						
<b>Anticipated Outcome</b>						
Final account to be agreed in August 2018 after finalisation of defects period. Defect period will end in July 2018 for Phase 2 and defects rectification is scheduled for July 2018.						
<b>OLSP - New Build</b>						
Project Life Financials	2,947	3,500	119%	3,930	983	33%
Current Year Financials	480	313	65%	313	(167)	-35%
Project Description	Design and construction of new Secondary School in Bellsmyre, Dumbarton					
Project Lifecycle	Planned End Date	31-Dec-18	Actual End Date	25-Oct-17		
<b>Main Issues / Reason for Variance</b>						
Project handed over and school opened on 25 October 2017, snagging process is near completion and being monitored by the Project Team. Retentions are due to be paid October 2018. The contract for the demolition has been awarded following the receipt of the full asbestos report (which was received in April 2018) however the contract sum of £0.420m is in excess of the remaining budget of £0.167m which is required to slip into 2018/19. Giving an anticipated overspend on this element of the project £0.253m.						
<b>Mitigating Action</b>						
Officers continue to seek clarity re asbestos report to allow demolition to proceed.						
<b>Anticipated Outcome</b>						
New Build opened to pupils on 25 October 2017 in line with the programme.						
<b>Schools Estate Improvement Plan</b>						
Project Life Financials	20,000	0	0%	20,000	0	0%
Current Year Financials	5,000	0	0%	0	(5,000)	-100%
Project Description	Completion of condition surveys has been carried out to identify works required to bring various schools from Condition C to Condition B.					
Project Lifecycle	Planned End Date	31-Mar-20	Forecast End Date	31-Mar-20		
<b>Main Issues / Reason for Variance</b>						
The budget for this project was phased with an expectation to spend £5m in 2017/18, however at 31 March 2018 no projects had yet been approved which rephases the project to 2018/19. At the Educational Services Committee on 06 June 2018, members approved appraisal which includes St Martin's PS repairs & maintenance, a new language unit at Renton PS, Riverside ELCC new build, and St Mary's PS refurbishment. All are expected to achieve physical completion by 2020 subject to consultation process where appropriate.						
<b>Mitigating Action</b>						
No mitigation possible in 2017/18.						
<b>Anticipated Outcome</b>						
£5m underspend in 2017/18 with funds to slip into future years with funds antiapiated to be utilised by 2020 subject to consultation.						

MONTH END DATE

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Year End

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast / Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%
<b>Children and Young Persons / Early Years</b>						
Project Life Financials	3,222	1,639	51%	3,222	0	0%
Current Year Financials	1,924	341	18%	341	(1,583)	-82%
Project Description	New funding announced July 2014 re the implementation of the Children and Young Persons Bill in relation to 2,3 and 4 year olds looked after or under a kinship order and additional 2 year olds from households in receipt of certain out of work benefits					
Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Mar-19		
<b>Main Issues / Reason for Variance</b>						
Final spend for 17/18 of £0.341m with remaining budget of £1.583m required to slip into 2018/19 which is as a result of limited scope for works to be carried out to coincide with school holidays.						
<b>Mitigating Action</b>						
None available at present due to works only being able to be carried out during school breaks.						
<b>Anticipated Outcome</b>						
The project will be delivered but at a later date than originally planned.						
<b>New Levenvale Primary School All Weather Pitch</b>						
Project Life Financials	250	0	0%	250	0	0%
Current Year Financials	250	0	0%	0	(250)	-100%
Project Description	New Levenvale Primary School All Weather Pitch					
Project Lifecycle	Planned End Date	31-Mar-19	Forecast End Date	31-Oct-19		
<b>Main Issues / Reason for Variance</b>						
Detailed design took longer than anticipated. The Grenfell Tower tragedy of June 2017 resulted in resourcing issues requiring a reallocation of priorities. Architectural Officers and Architectural Assistants were relocated to deal with enquiries in relation to Grenfell and the subsequent Fire Risk Assessments. Design works were finalised in April 2018 and there are ongoing discussions with legal and procurement to take the project to the next stage. Physical completion is anticipated by October 2019.						
<b>Mitigating Action</b>						
Continue to monitor and liaise with legal and procurement and monitoring meetings in relation to spend will be ongoing.						
<b>Anticipated Outcome</b>						
Project to be delivered on budget but later than originally planned.						
<b>St. Patrick's PS New Play Upgrades</b>						
Project Life Financials	200	0	0%	200	0	0%
Current Year Financials	200	0	0%	0	(200)	-100%
Project Description	New MUGA for St. Patricks Primary School and playground improvements					
Project Lifecycle	Planned End Date	31-Mar-19	Forecast End Date	31-Oct-19		
<b>Main Issues / Reason for Variance</b>						
Detailed design took longer than anticipated. The Grenfell Tower tragedy of June 2017 resulted in resourcing issues requiring a reallocation of priorities. Architectural Officers and Architectural Assistants were relocated to deal with enquiries in relation to Grenfell and the subsequent Fire Risk Assessments. Design works were finalised in April 2018 and there are ongoing discussions with legal and procurement to take the project to the next stage. Physical completion is anticipated by October 2019.						
<b>Mitigating Action</b>						
Continue to monitor and liaise with legal and procurement and monitoring meetings in relation to spend will be ongoing.						
<b>Anticipated Outcome</b>						
Project to be delivered on budget but later than originally planned.						
<b>Allotment Development</b>						
Project Life Financials	400	0	0%	400	0	0%
Current Year Financials	400	0	0%	0	(400)	-100%
Project Description	To develop an allotment site at Dumbarton Common					
Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Mar-19		
<b>Main Issues / Reason for Variance</b>						
Project delayed as appropriate sites have not yet been identified. The project team met in June 2017 and have identified a potential main site, however this site is currently identified on the local plan for housing and is being marketed as such by Estates, marketing is still ongoing. As part of the marketing of this site the estates section are now carrying out site investigation works to ensure there is no contamination of the site. Once the outcome of this marketing is concluded then a recommendation can be made regarding its availability as an allotment site. If the site is deemed suitable as an allotment site, the local plan will have to be amended which would take the region of 6 months. The costs involved in providing the main site would be in the region of £0.300m. 2 further satellite sites have been identified and are estimated to cost circa £0.100m, however further site investigation works are required to confirm if these sites are suitable. Soil samples from one site now at laboratory for testing and results on suitability for allotment development due to be returned mid July 2018 when a further update will be available. Plans for a further mini site at Alexandria Library are ongoing. Officers have approached a number of organisations for quotes. As yet a successful tender has not been completed.						
<b>Mitigating Action</b>						
Ability to mitigate in 2017/18 was limited due to requirement for officers to assess site suitability with Environmental Health.						
<b>Anticipated Outcome</b>						
Development of allotments to take pressure off current 10 year waiting list.						

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Budget Details	Project Life Financials				
	Budget	Spend to Date	Forecast / Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000

9

Clydebank Community Sports Hub

Project Life Financials	3,851	1,425	37%	3,865	14	0%
Current Year Financials	2,646	1,294	49%	1,294	(1,352)	-51%
Project Description	Creation of a community and sport hub					
Project Lifecycle	Planned End Date	31-Aug-19	Forecast End Date	27-Sep-18		
Main Issues / Reason for Variance						
Due to the cost of build following procurement exercise there was a delay to commence building works until funds had been secured. The contract was awarded on 24 November 2017 and works are now progressing on site. Principal Contractor CBC were originally reporting 2 week delay in programme, however they have revised their programme and have reduced the anticipated delay from 2 weeks to 6 business days. An extension of time has been awarded adjusting the completion date from 19 September to 27 September 2018, with retentions due September 2019. It is still anticipated the facility will be available for use in October 2018.						
Mitigating Action						
Whilst there was an initial delay in being in a position to commence on site and award the contract until such times as sufficient funding was secured, the construction is well underway and due to complete in September 2018. As such the large majority of projected spend will conclude within financial year 2018/19 with the release of final retention in September 2019. Further slippage is not anticipated and the Project Board provide governance and decision making to maintain programme and in turn deliver the spend profile.						
Anticipated Outcome						
The project will be delivered in line with the programme and within secured funding. The facility will be available for use in October 2018.						

10

Community Capital Fund

Project Life Financials	3,609	2,155	60%	3,609	0	0%
Current Year Financials	1,783	329	18%	329	(1,454)	-82%
Project Description	Upgrade and improve recreational facilities throughout West Dunbartonshire.					
Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Mar-19		
Main Issues / Reason for Variance						
This budget is for the creation and upgrade of play areas. Playparks are tendered in lots of 10 due to both the number of playparks being constructed and the availability of contractors. This has put a limit on the opportunity to mitigate and fully spend the remaining budget in 2017/18 resulting in re-phasing into 2018/19. Due to the number of projects and associated tender/procurement processes, the programme of works have been planned in 2 phases (parks planned and complete in phase 1 as at 31 March 2018 include:- Dalmuir, Goldenhill, Moss O'Balloch, Brown St, Bonhill, Tullichewan, Dumbarton Common, St Helena, Christie Park, Stark Avenue, West Thomson St Playpark, Linnvale & Faifley Knowes. Next phase due to complete in 2018/19 include:- Mollanbowie (Mollanbowie completed in April 2018), Balloch Park Slipway, Dillichip Park, Castlehill MUGA, Bellsmyre Nursery, Silverton Maldam, Bowling, Whitecrook, Levensgrove ( Levensgrove completed early May 2018) & Inler Park. The project is currently showing rephasing of £1.454m for these outstanding parks and despite ongoing procurement resourcing issues is expected to complete in 2018/19.						
Mitigating Action						
No mitigating action available.						
Anticipated Outcome						
Improved recreational facilities throughout WDC anticipated to be delivered within budget albeit later than anticipated.						

11

Holm Park & Yoker Athletic FC

Project Life Financials	750	0	0%	750	0	0%
Current Year Financials	750	0	0%	0	(750)	-100%
Project Description	Develop a new 3G pitch to act as a home venue for Clydebank FC with extensive community access.					
Project Lifecycle	Planned End Date	31-Mar-17	Forecast End Date	31-Oct-19		
Main Issues / Reason for Variance						
Detailed design took longer than anticipated. The Grenfell Tower tragedy of June 2017 resulted in resourcing issues requiring a reallocation of priorities. Architectural Officers and Architectural Assistants were relocated to deal with enquiries in relation to Grenfell and the subsequent Fire Risk Assessments. Design works were finalised in April 2018 and there are ongoing discussions with legal and procurement to take the project to the next stage. Physical completion is anticipated by October 2019.						
Mitigating Action						
Continue to monitor and liaise with legal and procurement and monitoring meetings in relation to spend will be ongoing.						
Anticipated Outcome						
Project to be delivered on budget but later than expected.						

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Year End

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast / Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%
<b>Environmental Improvement Fund</b>						
Project Life Financials	1,690	775	46%	1,690	0	0%
Current Year Financials	1,359	444	33%	444	(915)	-67%
Project Description	This fund has been created to deliver environmental improvement projects for communities throughout West Dunbartonshire.					
Project Lifecycle	Planned End Date	31-Mar-17	Forecast End Date	30-Apr-19		
<b>Main Issues / Reason for Variance</b>						
Slippage is due to rephrasing required for works to Mountblow 3G pitch. Due to the specialist nature of this work the Council has been required to engage the services of Specialist Sports Field Consultants who are currently pulling together tender documentation. This was due to be issued November 2017 but is still outstanding. Tender now expected to be issued June 2018 with works due to commence in September 2018 with a revised physical completion date of April 2019 with retentions due in April 2020.						
<b>Mitigating Action</b>						
None available at this time						
<b>Anticipated Outcome</b>						
Mountblow 3G pitch to be completed within available budget albeit later than anticipated						
<b>Dalmonach CE Centre</b>						
Project Life Financials	1,150	40	3%	1,650	500	43%
Current Year Financials	1,122	27	2%	27	(1,095)	-98%
Project Description	To create new community facilities with additional space for early years provisions					
Project Lifecycle	Planned End Date	31-Mar-19	Forecast End Date	30-Sep-19		
<b>Main Issues / Reason for Variance</b>						
Detailed design took longer than anticipated. The Grenfell Tower tragedy of June 2017 resulted in resourcing issues requiring a reallocation of priorities. Architectural Officers and Architectural Assistants were relocated to deal with enquiries in relation to Grenfell and the subsequent Fire Risk Assessments. Design has now been finalised and went to tender early March 2018 and returned 6 April 2018. Tender returned at a cost of £0.5m over the allocated budget however clarification on tender sums and options for value engineering are ongoing. Officers have assessed the required spend on the Early Years element of the project and there is expected to be sufficient capacity within the Scottish Government capital grant funding from Early Years to fund the Early Years element of this project						
<b>Mitigating Action</b>						
Project being reported and monitored through WDC Leisure Management Meetings, Schools Estate Board Meetings and SAMG updates. Monitoring meetings in relation to spend will be ongoing.						
<b>Anticipated Outcome</b>						
To create a new community facilities with additional space for early years provisions, over original budget and later than first anticipated.						
<b>Kilmaronock Cemetery Extension</b>						
Project Life Financials	225	0	0%	225	0	0%
Current Year Financials	225	0	0%	0	(225)	-100%
Project Description	Extension of existing cemetery at Kilmaronock. Project not due to start April 2016. Procurement process anticipate starting August 2015.					
Project Lifecycle	Planned End Date	31-Mar-16	Forecast End Date	31-Mar-19		
<b>Main Issues / Reason for Variance</b>						
Initial project delay was due to the decision to appoint an external consultant with the necessary expertise to design the project and develop the tender documentation, who has now been appointed. It has been now discovered that soil depth is only 0.5m giving rise to the suitability of the land as a cemetery and solutions are being investigated. As a result the balance of £0.225m is required to be phased into 2018/19.						
<b>Mitigating Action</b>						
Officers working towards a solution to the latest development of poor soil depth which questions the suitability of the land to be used as a cemetery so as a result opportunities to mitigate are limited.						
<b>Anticipated Outcome</b>						
It is hope an extension to cemetery will be possible in the long term following remedial work, however there are doubts about the viability of this project which will become clearer when options have been evaluated.						
<b>Levensgrove Park - Restoration &amp; Regeneration</b>						
Project Life Financials	3,639	1,479	41%	3,639	0	0%
Current Year Financials	3,320	1,160	35%	1,160	(2,160)	-65%
Project Description	Restoration and Regeneration of Levensgrove Park					
Project Lifecycle	Planned End Date	31-Mar-19	Forecast End Date	30-Aug-18		
<b>Main Issues / Reason for Variance</b>						
Early delays due to timescales involved in securing external funding which impacted the procurement timescales have resulted in a requirement to re-phase £2.160m from 2017/18 into 2018/19. The project has started August 2017 with a physical completion date forecast as at 30 August 2018 with retentions due August 2019. Works progressing well despite the original delay and within budget.						
<b>Mitigating Action</b>						
Original delays due to external funding delay so as a result opportunities to mitigate have been limited.						
<b>Anticipated Outcome</b>						
To deliver a fit for purpose recreation area suitable for multiple use and within budget.						

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Budget Details	Project Life Financials				
	Budget	Spend to Date	Forecast / Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000

16	<b>Posties Park Sports Hub - New sports hub to include Gym &amp; running track</b>				
Project Life Financials	1,802	60	3%	1,802	0
Current Year Financials	1,778	36	2%	36	(1,742)
Project Description	Creation of a sports hub at Posties/Marinecraft to include a new changing pavilion/Gym, new all-weather 6 lane running track, conversion of blaze sports pitch to grass, new fencing, upgrade of existing floodlights and additional car parking. This combines the budget approved by the Council in February 2015 for Community Sports Facilities at Posties Park, draw down of budget from the generic sports facilities budget line and anticipated match funding from Sports Scotland.				
Project Lifecycle	Planned End Date	31-Dec-18	Forecast End Date	31-Oct-19	
<b>Main Issues / Reason for Variance</b>					
Early delays due to timescales involved in bidding for external funding. A stage 2 funding application was submitted to Sports Scotland for £0.500m. The initial outcome of this application advised that the Council was unsuccessful in the funding bid therefore this element of the budget has been removed and replaced with resources vired from other budget lines as approved by Members in October 2017. Due to delays with site investigation spend in 2017/18 was only £0.036m. It has now been identified that a new base to the building is required and asbestos has been discovered. Asbestos sampling has been undertaken and results are due to be returned at the end of June 2018 after which remedial works will be required, however the extent of these works are unknown at this time. At this time it is anticipated that the main works will start January 2019.					
<b>Mitigating Action</b>					
Remedial works will be carried out on return of asbestos sampling.					
<b>Anticipated Outcome</b>					
Creation of sports hub later than first anticipated of December 2018 but now October 2019.					
17	<b>Vale of Leven Cemetery Extension</b>				
Project Life Financials	650	160	25%	650	0
Current Year Financials	495	5	1%	5	(490)
Project Description	Extension of existing cemetery in Vale of Leven				
Project Lifecycle	Planned End Date	31-Mar-16	Forecast End Date	31-Mar-20	
<b>Main Issues / Reason for Variance</b>					
As previously reported there has been difficulties purchasing the preferred site with officers working to identify alternative locations. Officers were hopeful of concluding the land purchase in 2017/18 however this did not occur resulting in the main body of the works being required to be rephased from 2017/18 into 2018/19. The only spend in 2017/18 related to professional fees and site investigation works. At May 2018 discussions in relation to the preferred site have resumed and officers are now hopeful to conclude the land purchase by August 2018.					
<b>Mitigating Action</b>					
Opportunities to mitigate are limited due to ongoing discussions with regards to purchase of land.					
<b>Anticipated Outcome</b>					
A suitable site is identified and purchased to provide a sustainable burial environment, albeit delayed by 3 years as a result of identifying a suitable site.					
18	<b>Gruggies Burn Flood Prevention</b>				
Project Life Financials	15,000	151	1%	15,000	0
Current Year Financials	485	36	7%	36	(449)
Project Description	Commission of Gruggies Flood Prevention Scheme				
Project Lifecycle	Planned End Date	31-Mar-17	Forecast End Date	31-Mar-21	
<b>Main Issues / Reason for Variance</b>					
Project delayed due to investigation works. Onsite investigation has now been carried out with scope of works being reviewed to determine best way to progress project. Following initial investigations, topographic survey was completed in 2017. Design has not yet been finalised as optioneering has produced alternative design solutions. Project yet to be tendered as discussions ongoing with consultants and an SPA contractor to produce a buildability statement. The project has been rephased to reflect that the physical works will now be in 2018/19, 2019/20 & 2020/21.					
<b>Mitigating Action</b>					
Once consultants report has been delivered, further survey works will be procured and opportunities will be sought to mitigate any further delay. Revised report with updated methodology will give results to topographic survey and will determine next course of action.					
<b>Anticipated Outcome</b>					
Project completed within it is hopeful still within budget. Various options have been instructed, these and the buildability statement will inform on construction costs and the reliability of previous estimates.					

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Year End

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast / Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%
<b>Infrastructure - Roads</b>						
Project Life Financials	2,635	2,199	83%	2,635	(0)	0%
Current Year Financials	2,635	2,199	83%	2,199	(436)	-17%
Project Description	Replacing or enhancing failing road assets					
Project Lifecycle	Planned End Date	31-Mar-18		Forecast End Date	30-Jun-18	
<b>Main Issues / Reason for Variance</b>						
£0.436m to be rephased to 2018/19 for structural repairs for the following projects which had been scheduled to be carried out when the adverse weather struck at end of February. Works to Clydebank carriageways, Hardgate roundabout and Mountblow resurfacing are now anticipated to be complete by the end of June 2018. Dalvair Rd resurfacing works were completed during the April school holidays.						
<b>Mitigating Action</b>						
No mitigating action was available due to the extreme weather.						
<b>Anticipated Outcome</b>						
Project completed within budget						
<b>Strathleven Park and Ride Car Park</b>						
Project Life Financials	285	0	0%	285	0	0%
Current Year Financials	285	0	0%	0	(285)	-100%
Project Description	Provision of additional car parking off Strathleven Place adjoining Church car Park. To be utilised as park and ride and overflow for town centre parking					
Project Lifecycle	Planned End Date	31-Mar-18		Forecast End Date	31-Mar-19	
<b>Main Issues / Reason for Variance</b>						
Ownership and Access issues are currently being discussed in order to resolve issues which are delaying progress. It is anticipated that these will be resolved by the end of June 2018, with preparatory clearance works to be carried out on conclusion of access. Awaiting confirmation of a start date for works and will be reported when available.						
<b>Mitigating Action</b>						
Opportunities to mitigate are limited due to legal issue regarding access.						
<b>Anticipated Outcome</b>						
Project completed within budget albeit later than anticipated						
<b>New Play &amp; Recreation at Radnor Park, including MUGA</b>						
Project Life Financials	260	10	4%	260	0	0%
Current Year Financials	260	10	4%	10	(250)	-96%
Project Description	New Play & Recreation at Radnor Park, including MUGA					
Project Lifecycle	Planned End Date	31-Mar-18		Forecast End Date	31-Dec-18	
<b>Main Issues / Reason for Variance</b>						
Project delayed due to requirement for public consultation which is now complete and detailed designs are being finalised. Project at tender stage as at 18 May 2018. Works due to commence August 2018, complete December 2018 with retentions due December 2019.						
<b>Mitigating Action</b>						
No mitigation available due to the need for public consultation.						
<b>Anticipated Outcome</b>						
Provision of new Play & Recreation at Radnor Park, including MUGA delivered within budget.						
<b>New Sports Changing Facility at Lusset Glen in Old Kilpatrick</b>						
Project Life Financials	150	0	0%	150	0	0%
Current Year Financials	150	0	0%	0	(150)	-100%
Project Description	New Sports Changing Facility at Lusset Glen in Old Kilpatrick					
Project Lifecycle	Planned End Date	31-Mar-19		Forecast End Date	31-Mar-19	
<b>Main Issues / Reason for Variance</b>						
Project is currently at design phase and is anticipated to be delivered during 2018/19 due to work being carried out by Scottish Gas Networks. Gas pipe to be removed with plans ongoing for the removal.						
<b>Mitigating Action</b>						
None available due to gas works being carried out						
<b>Anticipated Outcome</b>						
Works to be carried out as planned						

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Year End

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast / Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%
<b>Invest in "Your Community Initiative"</b>						
Project Life Financials	1,000	435	44%	1,000	0	0%
Current Year Financials	963	398	41%	398	(565)	-59%
Project Description	Capital budget to support the roll out of Your Community, an initiative designed to achieve coordinated service delivery in response to community need. This is complemented by community capacity building, empowering WD citizens to do more for their own communities (leading to less reliance on council). Also included is the implementation of participatory budgeting to support and build capacity in communities.					
Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Mar-19		
<b>Main Issues / Reason for Variance</b>						
Delay in spend is due to identifying relevant capital works and the process of approval of grant applications/receipt of claim forms. The full budget will be expended following appropriate development and engagement with communities, this is taking longer than anticipated leading to rephasing of £0.565m to 2018/19.						
<b>Mitigating Action</b>						
Opportunities to mitigate have been limited due to the need to liase with communities.						
<b>Anticipated Outcome</b>						
Full budget spend anticipated albeit later than originally planned.						
<b>Pappert Woodland Wind Farm</b>						
Project Life Financials	3,699	31	1%	3,699	0	0%
Current Year Financials	139	20	15%	20	(119)	-85%
Project Description	Provision of new windfarm					
Project Lifecycle	Planned End Date	31-Mar-21	Forecast End Date	31-Mar-21		
<b>Main Issues / Reason for Variance</b>						
The project team continues to work in partnership with Lomond Energy and consult with statutory consultees, however this is taking longer than anticipated due to geographical issues. A further meeting is due to take place with WDC Planning to review options and further consult with statutory consultees in June 2018.						
<b>Mitigating Action</b>						
Project team will continue to consult with Planning and other statutory consultees once revised scheme has been finalised.						
<b>Anticipated Outcome</b>						
Project completion generates savings in line with revised financial analysis.						
<b>Building Upgrades and H&amp;S - lifecycle &amp; reactive building upgrades</b>						
Project Life Financials	4,976	2,885	58%	4,974	(2)	0%
Current Year Financials	4,976	2,885	58%	2,885	(2,091)	-42%
Project Description	Lifecycle and reactive building upgrades					
Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Mar-19		
<b>Main Issues / Reason for Variance</b>						
Overall slippage of £2.091m is required to be carried forward into 2018/19 with the main projects being Municipal Buildings £0.324m, Clydemuir Primary School MUGA £0.163m, Mountblow Pavilion £0.663m, Alexandria Library condition survey works £0.133m, Concorde Centre works £0.161m and Edinbarnet Primary School condition survey works £0.102m.						
<b>Mitigating Action</b>						
Ongoing regular meetings seeking to mitigate any possible delays to projects.						
<b>Anticipated Outcome</b>						
Project delivered within budget and amended timescales.						
<b>Leisure Energy projects - air handling units, upgrade lighting, circulating pumps, and draught proofing</b>						
Project Life Financials	277	33	12%	277	0	0%
Current Year Financials	246	2	1%	2	(244)	-99%
Project Description	Measures to be installed at both Meadow Centre & Vale of Leven Swimming Pool; new pool hall Air Handling Units, upgrade lighting, circulating pumps Vale of Leven Swimming Pool, internal and external lighting and draught proofing.					
Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Mar-19		
<b>Main Issues / Reason for Variance</b>						
Main reason for variance is due to Air Handling Unit (AHU) upgrades at Meadow Centre/Vale Swimming Pool. This project has been delayed due to higher priorities within the Procurement service in relation to other required procurement activities, which has resulted in remaining budget of £0.244m required to be rephased into 2018/19.						
<b>Mitigating Action</b>						
None available at this time as the delay was due to prioritisation of resource.						
<b>Anticipated Outcome</b>						
A small number of projects will be complete by end of year with works to VOL and Meadow Centre Air Handling Units anticipated to be carried out in November 2018.						



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PERIOD

Year End

Budget Details	Project Life Financials				
	Budget	Spend to Date	Forecast / Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000

27	<b>Regeneration/Local Economic Development</b>					
	Project Life Financials	2,766	446	16%	2,766	0
	Current Year Financials	2,766	446	16%	446	(2,319)

Project Description Budget to facilitate the delivery of Regeneration throughout West Dunbartonshire , aligned to the Economic Strategy 2015-20. External funding will be sought to maximise opportunities for redevelopment of these sites

Project Lifecycle Planned End Date 31-Mar-18 Forecast End Date 31-Dec-18

#### Main Issues / Reason for Variance

Rephasing to 2018/19 of £2.319m. Rephasing includes £1.448m for St Eunan's (of which £0.620m is grant funded), £0.004m unallocated to be rephased to support upcoming works, £0.158m retention payments for Mitchell Way, £0.223m for Balloch Charrette, £0.168m for Clydebank Town Centre & Waterfront, £0.293m for Dumbarton Town Centre & Waterfront, £0.002m for Garth Drive retention payments, & £0.023m for Preparation of Strategies for Capital Investment. In relation to St Eunan's the contractor has been appointed and the design has been developed. The planning application was granted at March 2018 Planning Committee. Planning with conditions are being worked through, prior to WDC and the contractor identifying a revised date for starting on site resulting in the balance requiring to be rephased to 2018/19. Balloch Charrette projects, design work has progressed for improvements to Balloch Village Square, Balloch Road West and Moss O'Balloch Car Park and a study has been completed for Balloch Castle. Design works will commence for the Station Square area and progress will be made in relation to Balloch Castle and Park pending the outcome of proposals for the West Riverside area. A project proposal was approved at August 2017 IRED Committee to enable related works to be procured for the two Village Squares. Delivery of the improvements is challenging as peak periods for tourists and visitors must be avoided and as potential important repairs to Lomond Bridge are now required. Rephasing will deliver improvements to Moss O'Balloch Car Park during Autumn 2018. The Clydebank Town Centre and Waterfront budget is committed to works at Bruce Street Baths (completed and invoiced) Queens Quay and Connecting Clydebank (A814 project) consultancy fees and charrette projects. Resources have been focussed on progressing the Connecting Clydebank project which has taken longer to progress as it involves external partners in its development. This has resulted in delays to the development of the Transport Interchange and public realm projects of which the allocated budget will be required to slip into 2018/19. A project proposal and budget allocation from the Regeneration Fund were agreed at November 2017 IRED Committee for Connecting Clydebank and a planning application which was hoped to be submitted in February 2018 was not achieved, however officers are hopeful that the application could be reported to a future Committee. Progress towards the final design and procurement is being impacted upon by the sequencing of the delivery of other projects at Queens Quay. Progress has been made with Dumbarton Town Centre and Waterfront project. Draft heads of terms have been sent to all landowners/developers and further discussions have been taking place regarding finalising agreements and access to areas of land for enabling works. Discussions are ongoing at May 2018. Enabling works of vegetation clearance and foreshore clean up works are currently being procured with a completion end date of 31 August 2018. Rephasing for Dumbarton Town Centre and Waterfront will also cover other projects including floodlighting works at Dumbarton Rock, improved signage from Dumbarton East Railway Station to the Castle and professional fees to take forward the waterfront path project. A variety of charrette related projects are currently being progressed with partners and developers which will then be procured.

#### Mitigating Action

St Eunan's - Strategic Disposals - key sites; The Regeneration Team have submitted a Proposal of Application Notice to Planning and Building Standards for the project which removes this requirement and potential 12 week lead from the contractor. The contract has now been awarded and the project and risk register will be managed as project progresses. There have been discussions with the contractor regarding what early works could be carried out but Planning have indicated that these should commence after planning permission is granted.

#### Anticipated Outcome

Significant progress with transformational projects including Dumbarton Waterfront, strategic disposal sites and Alexandria town centre and further progress with implementing Charrette Action Plans.

28	<b>Queens Quay - Regeneration</b>					
	Project Life Financials	15,620	3,800	24%	15,620	0
	Current Year Financials	13,950	2,454	18%	2,454	(11,496)

Project Description Queens Quay regeneration

Project Lifecycle Planned End Date 30-Jun-18 Forecast End Date 30-Nov-18

#### Main Issues / Reason for Variance

An update report was presented to IRED Committee on 22 November 2017. The project is reaching the key stage work has commenced on the quay walls around the Basin. Remediation ground works completed around car home site and perimeter wall has been removed. Contract for the utilities works for the site and connection to the Energy Centre have been issued. The contractor for the roads infrastructure works was awarded in May 2018. Overall project delays experienced due to complexity of site and packages of works being coordinated as well as in bringing the District Heating Network project and Queens Quay project in-line for the roads/utilities work, subsequently resulting in forecast end date being extended to November 2018 and £11.5m to be rephased into 2018/19.

#### Mitigating Action

A number of mitigating actions are being monitored through the risk register by the Management Group. Fortnightly meetings with the development partner take place to progress the project and make every attempt to reduce delays and slippage.

#### Anticipated Outcome

Regeneration of Clydebank Waterfront in line with budget, but delayed to co-ordinate with District Heating project.



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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast / Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

29	Exxon City Deal - alternative A82 route						
	Project Life Financials	27,897	1,013	4%	27,897	0	0%
	Current Year Financials	1,155	468	41%	468	(687)	-59%
	Project Description	As part of the City Deal project the WDC Exxon site at Bowling regeneration with alternative A82 route included.					
	Project Lifecycle	Planned End Date	31-Mar-24	Forecast End Date	31-Mar-24		
	Main Issues / Reason for Variance						
	Regular updates are provided at every Council meeting, with City Deal papers presented at each meeting. The main issues contained within the approved Outline Business Case are still valid, which include Exxon's remediation strategy, land transfer arrangements and issues relating to adjoining owners. Until Exxon remediation strategy is approved and land transfer arrangements are resolved, only limited work can be undertaken (e.g. EIA) As the remediation strategy is being led by ESSO Mobil, it is difficult to assess when it will be approved. ESSO Mobil is still in discussions with SEPA and WDC-Environmental Health to agree several items before it can be approved, however the timescales of this is out with Council control.						
Mitigating Action							
Contained within Risk register monitored by Exxon Management Board. Technical reviews are being carried between our consultant PBA and Exxon consultants WSP to assess the proposed remediation strategy and to review historical data and reports.							
Anticipated Outcome							
Progressing the City Deal development at Exxon towards a Full Business Case.							

30	Queens Quay District Heating Network						
	Project Life Financials	12,100	1,347	11%	12,100	0	0%
	Current Year Financials	2,480	1,327	54%	1,327	(1,153)	-46%
	Project Description	Queens Quay District Heating Network					
	Project Lifecycle	Planned End Date		31-Mar-19	Forecast End Date		31-Mar-19
Main Issues / Reason for Variance							
Detailed design for the Pipe Network is almost complete. Energy Centre planning application has been granted (updated 12/02/18). Procurement processes for other elements of the project is underway and near completion. Tenders for Energy Centre Operator and Network Operator have been returned and are currently over budget. Officers are currently analysing the returns and an update report will be provided to June Council. The project is currently running behind programme, however recovery plan is in place with no delay to the overall delivery. First grant application was submitted the last week in May 2018.							
Mitigating Action							
Further discussions are to take place to identify Value Engineering items which will identify savings. Once this work has been carried out, Project Board to decide next steps as required.							
Anticipated Outcome							
Project will possibly be delivered over budget but a recovery plan is in place to deliver no later than anticipated.							

31	Regeneration Fund						
	Project Life Financials	12,400	0	0%	12,400	0	0%
	Current Year Financials	800	0	0%	0	(800)	-100%
	Project Description	Match funding for various regeneration projects currently in development					
	Project Lifecycle	Planned End Date	31-Mar-20	Forecast End Date	31-Mar-20		
	Main Issues / Reason for Variance						
	The budget for this project was phased with an expectation to spend £0.800m in 2017/18, however the development of projects has taken longer than anticipated resulting in rephasing from 2017/18 into future years. Project proposals have been developed for Dumbarton Walkway and Balloch Squares, agreement was secured at the IRED Committee on 16 August 2017 to move forward with procuring contracts for Balloch Village and Dumbarton Pathway projects. Connecting Clydebank is at detailed design stage and requires time allocated in its programme to allow input from funding partners Sustrans. Connecting Clydebank project proposals was approved at IRED committee meeting on 22 November 2107 of £2.3m Council funding and an allocation of £2m has been offered from Sustrans. Bowling Basin project progressing and should be reported to IRED Committee late Summer 2018. A contractor has been selected to undertake foreshore clearance works as part of the Waterfront Path project in 2018/19 and improvements to Balloch Village Square, Balloch Road West and Moss O'Balloch car park will commence in 2018/19 which will see spend against this budget. Detailed design has been completed for Connecting Clydebank and a planning application submitted. It is hoped the application could be reported to June 2018 Planning Committee but a new case officer has taken over so we are not sure this can be achieved – if not then first Committee after summer recess. As this project is part funded by Sustrans (£2m) initial spend will be offset by grant claims from Sustrans.						
Mitigating Action							
The need to spend Sustrans external funding first, the complexity of some of the projects, the need to programme some works to avoid busy tourism periods and reliance on third parties means that mitigation is challenging.							
Anticipated Outcome							
Progress towards delivery of planned projects from Economic Development Strategy and Charrette Action Plans albeit later than originally anticipated.							

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Year End

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast / Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

32	Project to bring scaffolding in-house					
	Project Life Financials	717	0	0%	0	(717) -100%
	Current Year Financials	717	0	0%	0	(717) -100%
	Project Description	At Council meeting on 30th August 2017 it was agreed to bring scaffolding in-house as a spend-to-save proposal.				
	Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	30-Jun-18	
	Main Issues / Reason for Variance					
	A full business case identified the option to bring the scaffold service in-house wasn't viable and saving that had been identified from the high level financial analysis would not be achieved and if the service was taken in-house the costs would exceed the current service provision. The DLO board which met on the 25 January 2018 took a decision not to bring the scaffold service in-house.					
Mitigating Action						
Project no longer viable, however Building Services Manager investigated alternative elevated platforms (where some of the savings may be realised) which were approved by Council on 5 March 2018.						
Anticipated Outcome						
Alternatives to be considered going forward.						

33	Replace Elderly Care Homes and Day Care Centres						
	Project Life Financials	27,463	13,799	50%	27,463	0	0%
	Current Year Financials	6,981	369	5%	369	(6,612)	-95%
	Project Description	Design and construction of replacement elderly care homes and day care centres in Dumbarton and Clydebank areas					
	Project Lifecycle	Planned End Date	31-Jan-19	Forecast End Date	30-Sep-19		
	Main Issues / Reason for Variance						
	In relation to Dumbarton Care Home, practical completion was achieved on 28 April 2017 with retention due April 2018. All residents now in new home with provision of day care from 7 July 2017. Transition of staff and residents now complete. WDC continue to work with Hub West and Morgan Sindall to agree statement of final account and close all outstanding matters such that the Making Good Defect Certificate can be issued and the final retention can be paid. With regards to Clydebank Care Home, planning consent was granted on 31 May 2017 at Planning Committee with conditions which are subject to ongoing work to discharge. Tender returns were received on 6 December 2017 which at the time were in excess of the available budget. As part of the Capital Plan refresh, the overall budget to deliver both Care Homes was increased to £27,463m. It is anticipated that work will commence on-site by end of September 2018. The Project Board approved the decision to progress the technical design stage with the Contractor under a Letter of Intent to mitigate further Programme delay. Further site investigations were due to commence on 28 May 2018 to establish if further remediation is required within the Clydebank Town Hall service yard and adjacent Queens Quay development site. Programme implications will be clarified on receipt of the investigation results.						
Mitigating Action							
In relation to Clydebank consideration is being given by officers to compress the tender evaluation period such that the contract can be awarded at earliest opportunity. Due to the complexity of both the relationships and co-dependencies with other neighbouring projects being developed at the same time the ability to mitigate within the project scope of control is limited – corporately, mitigation rests with delivery of programmes for overall Queens Quay Masterplan and in particular District Heating System.							
Anticipated Outcome							
New Care home provision in Clydebank currently delayed as indicated by the overall forecast end date above.							

<b>TOTAL PROJECTS AT RED STATUS</b>						
	Project Life Financials	182,867	47,912	26%	183,740	874 0%
	Current Year Financials	61,665	14,821	24%	14,821	(46,844) -76%

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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast / Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

1	Legal Case Management System						
	Project Life Financials	33	0	0%	33	0	0%
	Current Year Financials	33	0	0%	0	(33)	-100%
	Project Description	Legal Case Management System					
	Project Lifecycle	Planned End Date		Forecast End Date		31-Mar-19	
	Main Issues / Reason for Variance						
	Project rephased to 2018/19 - new system requires input from ICT from which will occur in 2018/19.						
Mitigating Action							
None Required							
Anticipated Outcome							
To deliver project within budget albeit later than first anticipated.							

2

ICT Modernisation						
Project Life Financials	7,814	7,428	95%	7,814	(0)	0%
Current Year Financials	1,161	775	67%	775	(386)	-33%
Project Description	This budget is to facilitate ICT infrastructure and modernise working practices					
Project Lifecycle	Planned End Date		31-Mar-18	Forecast End Date		31-Mar-19
Main Issues / Reason for Variance						
Overall slippage of £0.386m is required to be carried forward into 2018/19. £0.200m is related to retention for ICT Modernisation which is being held until the final resilience test is completed successfully. £0.065m is predominately related to device replacement whereby some schools require additional bandwidth before we replace their traditional devices with Chromebook. Orders for the additional bandwidth have been raised but have not yet been delivered, the remaining schools will receive their chromebooks in 2018/19. £0.120m is related to Health and Social Care projects of which the main items related to a fixed term position to take forward the roll out of Civica, introduction to wireless network points, and the remaining balance to be used for the continued rollout of the finance module on CareFirst and mobile devices due to be purchased in 2018/19.						
Mitigating Action						
The ability to mitigate is limited as retentions held until resilience test is successfully completed.						
Anticipated Outcome						
To update ICT systems within budget albeit later than first anticipated.						

3	ICT Security & DR						
	Project Life Financials	540	513	95%	540	0	0%
	Current Year Financials	221	194	88%	194	(27)	-12%
	Project Description	The project is for the enhancement of security systems, server replacement and the update of					
	Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Mar-19		
	Main Issues / Reason for Variance						
	Tendering and contractual arrangements for mail filtering product took longer than planned, however implementation work started in May 2018.						
Mitigating Action							
None Required							
Anticipated Outcome							
To deliver enhanced security systems within budget albeit later than first anticipated.							

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Budget Details	Project Life Financials					
	Budget	Spend to Date	Forecast / Actual Spend	Forecast Variance		
	£000	£000	%	£000	£000	%

**4 Upgrade of Clydebank Library**

Project Life Financials	500	261	52%	500	0	0%
Current Year Financials	450	211	47%	211	(239)	-53%
Project Description	Refurbishment of the existing Clydebank Library to deliver a fit for purpose modern library					
Project Lifecycle	Planned End Date	01-Oct-18	Forecast End Date	31-Oct-18		

**Main Issues / Reason for Variance**

Once it became evident that the budget was insufficient to complete the entire project to the required standard a decision was taken to split the project into two phases so as to avoid delays in halting the deterioration and making the building weatherproof and improving accessibility. Contractor has been appointed for Phase 1 works and are in a position to mobilise now that building warrant has been granted. Work commenced on site in October 2017 with a planned 16 week programme, which anticipated to complete by 5th March 2018 however there were delays due to adverse weather. There also has been difficulty in obtaining engineers certificate for lift work. At 25 May 2018 works stand at approximately 90% complete with works for lift still outstanding with full completion of phase 1 anticipated to be fully complete by October 2018. Phase 2 works in relation to the internals will be carried out under Building Upgrades budget.

**Mitigating Action**

Mitigation limited due to adverse weather and the difficulty in obtaining lift engineer.

**Anticipated Outcome**

Full refurbishment of library delivered within budget and within amended timescales.

**5 Schools Estate Refurbishment Plan**

Project Life Financials	5,500	5,372	98%	5,498	(2)	0%
Current Year Financials	1,188	1,060	89%	1,060	(128)	-11%

Project Description Completion of condition surveys has been carried out to identify works required to bring various schools from Condition C to Condition B.

Project Lifecycle Planned End Date 31-Mar-18 Forecast End Date 31-Mar-18

**Main Issues / Reason for Variance**

Currently reporting an underspend of £0.002m and slippage £0.128m which will be re-phased to 2018/19. Slippage in relation to retentions monies and awaiting start of minor civil contract which are due to start June 2018 to allow outdoor playground works to be completed.

**Mitigating Action**

Project monitored regularly with site meetings and reported to committee.

**Anticipated Outcome**

To improve the condition of schools within budget albeit later than first anticipated.

**6 Vehicle Replacement**

Project Life Financials	1,597	1,413	88%	1,595	(2)	0%
Current Year Financials	1,597	1,413	88%	1,413	(184)	-12%

Project Description Replacement of vehicles which have reached end of programmed lifespan (7 year heavy vehicles, 10 year light vehicles)

Project Lifecycle Planned End Date 31-Mar-18 Forecast End Date 31-Mar-19

**Main Issues / Reason for Variance**

Purchases of replacement of vehicles currently on long-term hire were given priority, therefore there is still a remaining budget in relation to purchase of vehicles on regular replacement programme. The slippage of £0.184m will be rephased into the 2018/19 vehicle replacement programme to catch up on the vehicles scheduled for replacement in 2017/18 but not implemented. Vehicle CCTV installation programme was completed in 2017/18. The Safe Stop installation programme is currently underway and scheduled for completion by end August 2018.

**Mitigating Action**

None available due to the priority attached to the replacement of vehicles on long term hire.

**Anticipated Outcome**

The majority of the project was completed on time.

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Budget Details	Project Life Financials					
	Budget	Spend to Date	Forecast / Actual Spend	Forecast Variance		
	£000	£000	%	£000	£000	%

**7 Bereavement Service Office Conversion**

Project Life Financials	130	2	2%	130	0	0%
Current Year Financials	128	0	0%	0	(128)	-100%
Project Description	Conversion of Bungalow at Clydebank Crematorium Into Bereavement Services Office					
Project Lifecycle	Planned End Date	31-Oct-17	Forecast End Date	31-Jul-18		

**Main Issues / Reason for Variance**

Tender award letter issued end of November 2017 with preconstruction works starting in December 2017. Construction works started on site 19 February 18 however since been delayed due to a fire on site. As a result of the unexpected delay it is now anticipated works will complete in July 2018.

**Mitigating Action**

Officers will continue to engage with Consultancy Services and Procurement to ensure project remains on revised programme. Despite unexpected delay works progressing.

**Anticipated Outcome**

New office accommodation for Bereavement Services later than anticipated but within budget.

**8 Community Sports Fund**

Project Life Financials	472	271	57%	472	0	0%
Current Year Financials	330	129	39%	129	(201)	-61%
Project Description	Match funding of up to 75% for local sports clubs to develop business cases to improve					
Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Mar-19		

**Main Issues / Reason for Variance**

2017/18 was the final year of a project to fund external/community sports groups which is now closed to new applications. Officers have evaluated submissions received within the final round of applications. Full spend has been committed, however the timing of spend is dependent on external groups proceeding with projects as planned. £0.201m to be re-phased into 2018/19 already committed to sports groups.

**Mitigating Action**

Opportunity to mitigate is limited as spend is dependent on the bodies that have been awarded funding carrying out projects to the approved scope and specification.

**Anticipated Outcome**

Improve sport facilities to a wide range of organisations WDC.

**9 New Clydebank Leisure Centre**

Project Life Financials	23,810	23,378	98%	23,810	0	0%
Current Year Financials	508	76	15%	76	(432)	-85%
Project Description	Provision of new leisure centre					
Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Aug-18		

**Main Issues / Reason for Variance**

Project delivered and open to the public since 31 March 2017. The final retention payment was due in March 2018 and as such, this spend had been profiled in 2017/18. WDC were not in a position to issue the Making Good Defect Certificate due to a small number of outstanding matters yet to be closed and in turn the final retention payment in the sum of £0.328m has slipped to 2018/19. Further spend is profiled in 2018/19 to conclude the commissioning and payment of minor additional works, as approved by November 2017 Project Board.

**Mitigating Action**

Final Project Board meeting took place on 2 November 2017. Ongoing liaison with Hub West Scotland regarding statement of final account in resolving outstanding matters.

**Anticipated Outcome**

Project delivered on time and within budget.

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Budget Details	Project Life Financials					
	Budget	Spend to Date	Forecast / Actual Spend	Forecast Variance		
	£000	£000	%	£000	£000	%

10

Sports Facilities Upgrades

Project Life Financials	90	44	49%	90	0	0%
Current Year Financials	90	44	49%	44	(46)	-51%
Project Description	Project is part of wider investment in sporting facilities and is dependent on match funding from Sport Scotland. Agreement in principle to wider WDC strategic priorities.					
Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	30-Apr-19		
Main Issues / Reason for Variance						
At this time £0.075m has been allocated to construction of 3 All weather tennis courts at Argyll Park. This project is estimated to cost £0.150m and it was hopeful that with application to The Lawn Tennis Association, match funding would be received, however following discussions with The Lawn Tennis Association in April 2018 they have only offered 25% funding. Discussions now with Sports Scotland to fund the shortfall. Hopeful that works will now commence October 2018 and complete April 2019 with retentions then due April 2020.						
Mitigating Action						
None available at this time						
Anticipated Outcome						
To deliver project within budget albeit later than first anticipated.						

11

Online Payment System for Education Establishments

Project Life Financials	52	0	0%	52	0	0%
Current Year Financials	52	0	0%	0	(52)	-100%
Project Description	Cashless Catering within Primary Schools					
Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Mar-19		
Main Issues / Reason for Variance						
The Funding was allocated to roll out cashless catering in a number of primary schools which is being co-ordinated and led by Educational Services and the contract for the provision of online school payments was approved at the Tendering Committee on 15 November 2017. Due to the timescales for contract initiation it is wasn't possible to make progress in 2017/18 resulting in the budget being repashed into 2018/19.						
Mitigating Action						
None available at this time.						
Anticipated Outcome						
To provide payment system for schools within budget albeit later than first anticipated.						

12

Free School Meals

Project Life Financials	200	62	31%	200	0	0%
Current Year Financials	150	12	8%	12	(138)	-92%
Project Description	Provision of Capital Funding from Scottish Government to implement free school meal initiative.					
Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Mar-19		
Main Issues / Reason for Variance						
Works to St Michael's/OLSP complete and St Ronan's/Lennox complete. Awaiting enabling costs for works to Christie Park and Gavinburn to allow confirmation as to what is to proceed. Costs received and should progress during summer recess.						
Mitigating Action						
None Required.						
Anticipated Outcome						
Project completed within budget albeit later than anticipated.						

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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast / Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

13 **Auld Street Clydebank - Bond**

Project Life Financials	400	212	53%	400	0	0%
Current Year Financials	256	68	27%	68	(188)	-73%
Project Description	Completion of roadworks associated with Auld Street housing development					
Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Mar-19		

**Main Issues / Reason for Variance**

Works to the value of £0.068m have been carried in 2017/18 resulting in rephasing of £0.188m of 2017/18 budget to 2018/19. The timing of further works are dependent on the progress of the builder on site, as the Council cannot proceed until the builder substantially completes his works. It is hoped that WDC works can be completed by end March 2019.

**Mitigating Action**

None available due to dependency on 3rd party contractor.

**Anticipated Outcome**

Works complete within budget albeit later than anticipated

14 **Cycling, Walking and Safer Streets**

Project Life Financials	76	38	49%	76	0	0%
Current Year Financials	76	38	49%	38	(38)	-51%
Project Description	Introduction of enhanced walking routes and traffic calming schemes to introduce safer streets					
Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	30-Jun-18		

**Main Issues / Reason for Variance**

Works were intended to be complete by 2017/18 year end however due to adverse weather conditions, permission was sought from CWSS to carry forward the money to 2018/19 and it was agreed they could extend budget until the end of June 2018.

**Mitigating Action**

Aiming to complete works by end of June 2018.

**Anticipated Outcome**

Works complete within budget albeit later than anticipated.

15 **Flood Risk Management**

Project Life Financials	448	41	9%	448	0	0%
Current Year Financials	448	41	9%	41	(407)	-91%
Project Description	Enhancement of drainage infrastructure to ensure compliance with Flood Risk Management Act					
Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Oct-18		

**Main Issues / Reason for Variance**

Contractual and procurement issues relating to minor civil works have resulted in project delay. Approval to conclude the award of the collaborative Roads Civils Framework Agreement was sought from the Tendering Committee on 21 March however due to a technicality an updated report was issued and approved. The introductory meetings have been held with contractors in May 2018 and work stream is imminent.

**Mitigating Action**

Road staff working with procurement to try to mitigate any further delay.

**Anticipated Outcome**

Project completed within budget albeit later than anticipated.



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Year End

Budget Details	Project Life Financials					
	Budget	Spend to Date	Forecast / Actual Spend	Forecast Variance		
	£000	£000	%	£000	£000	%

**16 Footways/Cycle Path Upgrades**

Project Life Financials	100	20	20%	100	0	0%
Current Year Financials	100	20	20%	20	(80)	-80%
Project Description	Renewal and/or enhancement of failed footpaths/cycle paths through West Dunbartonshire					
Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	30-Jun-18		
Main Issues / Reason for Variance						
Works were intended to be complete by 2017/18 year end, however due to adverse weather conditions permission was sought from CWSS to carry forward the money to 2018/19. Permission was granted to carry the funds to be used by the end of June 2018.						
Mitigating Action						
None Required						
Anticipated Outcome						
Project completed within budget, albeit later than first anticipated.						

**17 Strathclyde Partnership for Transport - Bus, cycling and walking infrastructure improvements**

Project Life Financials							110	74	68%	110	(0)	0%
Current Year Financials							110	74	68%	74	(36)	-32%
Project Description		Bus and cycling and walking infrastructure improvements within the West Dunbartonshire area										
Project Lifecycle		Planned End Date		31-Mar-18		Forecast End Date		31-Mar-19				
Main Issues / Reason for Variance												
Slippage of £0.036m relates to A814 congestion measures for Bus Infrastructure Improvements. A814 slippage is due to discussions with stakeholders on the schematic design which have caused a delay in progressing. Lighting works and removal of central reservation complete in 2017/18. The Bus Infrastructure Improvement delivery plans are still to be finalised and agreed.												
Mitigating Action												
Discussions on going re Bus Infrastructure Improvement Programme												
Anticipated Outcome												
To deliver improved specified, bus, cycling and walking routes within West Dunbartonshire.												

**18 Mandatory 20mph Residential communities**

Mandatory 20mph Residential Communities						
Project Life Financials	500	5	1%	500	0	0%
Current Year Financials	100	5	5%	5	(95)	-95%
Project Description	Mandatory 20mph Residential communities					
Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Mar-19		
Main Issues / Reason for Variance						
The Scottish Government are currently reviewing 20mph legislation. Subsequently only minimal works carried out in 2017/18 with remaining budget being required to slip into 2018/19.						
Mitigating Action						
None available at this time						
Anticipated Outcome						
Project to be delivered within budget albeit later than first anticipated.						



MONTH END DATE

31 March 2018

PERIOD

Year End

Budget Details	Project Life Financials					
	Budget	Spend to Date	Forecast / Actual Spend	Forecast Variance		
	£000	£000	%	£000	£000	%

19

Integrated Housing Management System

Project Life Financials	624	223	36%	554	(70)	-11%
Current Year Financials	546	145	27%	145	(401)	-73%
Project Description	This is a budget to support the necessary development and on-going requirements of implementing the Council's Integrated Housing Management System.					
Project Lifecycle	Planned End Date	31-Mar-17	Forecast End Date	31-Mar-19		
Main Issues / Reason for Variance						
The project has been delayed due to the time taken to finalise the contract documentation with the supplier and delays from incumbent system provider in the provision of access to Saffron data (delay in resolving ongoing issue, which was anticipated to be resolved in February 2018, however access to all necessary Saffron data is still unavailable, a minimum data set was provided in February to allow for Configuration of QL to commence. Provision of all data should be available in June 2018. Project has been re-phased with go-live date planned of 3 December 2018, with an underspend of £0.07m therefore budget of £0.331m is required to be re-phased into 2018/19. As a result of the delay in completion of project, staffing is to be extended to 31 March 2019 in order to support implementation of new system. At this time we are anticipating a revised underspend of £0.070m.						
Mitigating Action						
Officers will continue to seek opportunities to mitigate any further delays to the project.						
Anticipated Outcome						
Project is to delivered in-line with rephased project timeline with an anticipated underspend of £0.07m.						

20

Office Rationalisation

Project Life Financials	21,445	20,891	97%	21,716	271	1%
Current Year Financials	9,396	10,342	0%	10,342	946	0%
Project Description	Delivery of office rationalisation programme					
Project Lifecycle	Planned End Date	22-Dec-18	Forecast End Date	30-Sep-19		
Main Issues / Reason for Variance						
The 16 Church Street office project has achieved Practical Completion and the building became operational on Monday 21st of May, with a further 3 weekends of moves afterwards. A payless notice has been issued to Hub West Scotland to deduct the LAD's owed to date. Hub West Scotland are currently preparing the final invoice for the works. We will now contact Historic Environment Scotland to draw down 20% of the £500,000 grant (£100,000) with the remaining £50,000 of the Grant due to be claimed after the Final Account approval (1 year after Practical Completion). A survey to carry out the one year defects at Bridge Street is scheduled to take place – following completion of any outstanding defects, the retention sum will be due to be paid.						
Mitigating Action						
Officers will continue to seek way of minimising project overspend with spend from 2018/19 being accelerated into 2017/18.						
Anticipated Outcome						
Improved and enhanced office accommodation delivered on time with an anticipated overspend of £0.271m.						

WEST DUNBARTONSHIRE COUNCIL  
GENERAL SERVICES CAPITAL PROGRAMME  
ANALYSIS OF PROJECTS AT AMBER ALERT STATUS

APPENDIX 6C

MONTH END DATE

31 March 2018

PERIOD

Year End

Budget Details	Project Life Financials					
	Budget	Spend to Date	Forecast / Actual Spend	Forecast Variance		
	£000	£000	%	£000	£000	%

21 **Purchase of 3 Welfare Units**

Project Life Financials	78	0	0%	78	0	0%
Current Year Financials	78	0	0%	0	(78)	-100%

Project Description At Council meeting on 30th August 2017 it was agreed to purchase 3 Welfare Units as a spend-to-save proposal.

Project Lifecycle Planned End Date 31-Mar-19 Forecast End Date 31-Oct-18

**Main Issues / Reason for Variance**

It was anticipated that one unit would be purchased in 2017/18 however plan not achieved. Building Services had obtained some quotations, but due to the total value it is necessary run a mini-comp on an existing Scotland Excel Framework Contract and this delayed the single unit purchase in 2017/2018. Officers have instructed the purchase of all 3 units now which should be received by Autumn 2018.

**Mitigating Action**

None required at this time

**Anticipated Outcome**

Delivery of planned projects within budget and within planned timescale.

22 **Direct Project Support**

Project Life Financials	2,682	2,928	109%	2,928	246	9%
Current Year Financials	2,682	2,928	109%	2,928	246	9%

Project Description Business support cost such as reallocation of architects and project support at year end

Project Lifecycle Planned End Date 31-Mar-18 Forecast End Date 31-Mar-18

**Main Issues / Reason for Variance**

Central support costs were higher than originally anticipated.

**Mitigating Action**

None Required

**Anticipated Outcome**

None Required

**TOTAL PROJECTS AT AMBER STATUS**

Project Life Financials	67,201	63,178	94%	67,644	443	1%
Current Year Financials	19,700	17,577	89%	17,577	(2,123)	-11%

WEST DUNBARTONSHIRE COUNCIL  
GENERAL SERVICES CAPITAL PROGRAMME  
ANALYSIS OF PROJECTS AT GREEN ALERT STATUS WHERE CURRENT YEAR VARIANCE IS OVER £0.050M

APPENDIX 6D

MONTH END DATE

31 March 2018

PERIOD

Year End

Budget Details	Project Life Financials					
	Budget	Spend to Date	Forecast / Actual Spend	Forecast Variance		
	£000	£000	%	£000	£000	%

1	Aitkenbar PS, St Peters PS, Andrew Cameron EE&CC						
	Project Life Financials	10,646	10,176	96%	10,646	0	0%
	Current Year Financials	668	208	31%	208	(460)	-69%
	Project Description	Design and construction of new co-located school to replace 3 separate establishments					
	Project Lifecycle	Planned End Date	31-Mar-17	Actual End Date	23-Aug-16		
	Main Issues / Reason for Variance						
	School opened 23rd August 2016 as per programme. Snagging works are complete and outstanding acoustic fence was installed during the Easter break in April 2018. The final account and acoustic fence is anticipated to be £0.460m. This will be confirmed upon receipt of the final internal WDC costs which will be received in July 2018. Final retention payment to contractor expected to be released in July 2018.						
Mitigating Action							
None available at this time							
Anticipated Outcome							
Delivery of main project on time on time with acoustic fence installation outstanding.							

2	<b>New Balloch Campus</b>						
	Project Life Financials	16,462	16,253	99%	16,462	0	0%
	Current Year Financials	10,000	10,704	107%	10,704	704	7%
	Project Description	Construction of new primary school in Balloch to incorporate St Kessog's PS, Haldane PS and Jamestown PS and EE&CC)					
	Project Lifecycle	Planned End Date	01-Feb-19	Actual End Date	09-Feb-18		
	<b>Main Issues / Reason for Variance</b>						
	Handover successfully achieved on programme on 9 February 2018. School opened to staff and pupils on 19 February 2018. Spend accelerated from 2018/19 budget. Majority of snagging works were addressed during the school Easter holidays. Whilst works for the new build are complete, officers are yet to fully scope and commission the demolition of Haldane Primary School which is expected to cost circa £0.2m. The project is expected to be financially complete by 31 March 2020.						
<b>Mitigating Action</b>							
Continue to meet with contractor on a weekly basis until snagging items and final account is concluded.							
<b>Anticipated Outcome</b>							
Delivery of project on budget.							

MONTH END DATE

31 March 2018

PERIOD

Year End

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast / Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

**1 Resources Carried Forward**

Project Life Financials	(520)	(199)	38%	(520)	0	0%
Current Year Financials	(473)	(152)	32%	(152)	321	-68%

Project Description These are resources that have been received in previous years relating to ICT Modernisation, Insurance receipts, HRA contribution re Dalmuir works, Turnberry Homes, Posties Park Sports Hub and Auld Street Bond

Project Lifecycle Planned End Date 31-Mar-18 Forecast End Date 31-Mar-19

**Main Issues / Reason for Variance**

Resources previously received of £0.195m relating to Turnberry Homes and Auld Street Bond, £0.090m in relation to Posties Park, and £0.036m in relation to ICT are all required to be carried forward for reasons as detailed in the red status updates.

**Mitigating Action**

Mitigating actions are detailed within the red status projects page.

**Anticipated Outcome**

Application of resources held on balance sheet in 2017/18 as appropriate

**2 General Services Capital Grant**

Project Life Financials	(57,483)	(27,613)	48%	(57,396)	87	0%
Current Year Financials	(9,920)	(9,833)	99%	(9,833)	87	-1%

Project Description This is a general grant received from the Scottish Government in relation to General Services

Project Lifecycle Planned End Date 31-Mar-22 Forecast End Date 31-Mar-22

**Main Issues / Reason for Variance**

The General Services Capital Grant which was allocated for Private Sector Housing Grant purposes was higher than originally anticipated.

**Mitigating Action**

None available to level of Private Sector Housing Grant spent.

**Anticipated Outcome**

Lower than anticipated.

**3 Ring Fenced Government Grant Funding**

Project Life Financials	(44,071)	(2,442)	6%	(44,071)	0	0%
Current Year Financials	(5,096)	(1,897)	37%	(1,897)	3,199	-63%

Project Description This is ring fenced grant funding which is primarily anticipated to be received from the Scottish Government and relates to Cycling, Walking, Safer Streets, Gruggies Burn Flood works, Early Years funding and City Deal

Project Lifecycle Planned End Date 31-Mar-24 Forecast End Date 31-Mar-24

**Main Issues / Reason for Variance**

Under achievement of grants relate to City Deal Grant drawn down being lower than anticipated (as spend was lower than anticipated) and funds not being drawn down for District Heating. Cycling, Walking, Safer Streets grant not drawn as monies not spent.

**Mitigating Action**

Mitigating action identified in red and status updates

**Anticipated Outcome**

Lower than anticipated, however it is anticipated that funds will be received in 2018/19 when monies spent.

MONTH END DATE

31 March 2018

PERIOD

Year End

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast / Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

4 **Match Funding / Other Grants and Contributions**

Project Life Financials	(11,755)	(6,984)	59%	(11,746)	9	0%
Current Year Financials	(5,129)	(408)	8%	(408)	4,721	-92%

Project Description This is match funding from various bodies with the main funding being anticipated for Levensgrove Park, Posties Park and Clydebank Community Sports Hub

Project Lifecycle Planned End Date 31-Mar-19 Forecast End Date 31-Mar-19

**Main Issues / Reason for Variance**

Funding of £4.721m will require to be re-phased into 2018/19 mainly relating to £2.690m for Levensgrove Park, £1.110m relating to Clydebank Community Sports Hub, £0.620m relating to St Eunan's, £0.105m SPT, £0.015m sustrans, £0.1m Historic Scotland and others amounting to £0.081m due to reasons detailed in the red and amber status updates.

**Mitigating Action**

Mitigating actions are detailed within the red and amber status projects pages

**Anticipated Outcome**

Receipt of Match Funding mainly as anticipated other than those listed

5 **Capital Receipts**

Project Life Financials	(26,199)	(2,054)	8%	(26,199)	0	0%
Current Year Financials	(15,542)	(1,162)	7%	(1,162)	14,380	-93%

Project Description These are capital receipts that are anticipated from sales of land and buildings both as part of

Project Lifecycle Planned End Date 31-Mar-24 Forecast End Date 31-Mar-24

**Main Issues / Reason for Variance**

In general capital receipts were anticipated to be lower in the 2017/18 due to market conditions, however the longer term expectation is that this will improve and capital receipts will balance out over the project life of the capital programme.

**Mitigating Action**

Officers will seek to maximise capital receipts in the current financial year subject to market conditions

**Anticipated Outcome**

Over the programme life capital receipts are anticipated to come in as budgeted

6 **Prudential Borrowing**

Project Life Financials	(172,346)	(114,205)	66%	(173,880)	(1,534)	1%
Current Year Financials	(57,068)	(31,130)	55%	(31,130)	25,938	-45%

Project Description Prudential borrowing is long term borrowing from financial institutions that has been approved

Project Lifecycle Planned End Date 31-Mar-24 Forecast End Date 31-Mar-24

**Main Issues / Reason for Variance**

Prudential borrowing in 2017/18 less than budgeted due to programme re-phasing

**Mitigating Action**

Prudential borrowing is impacted by programme delivery therefore mitigating action is detailed in the red and amber analysis

**Anticipated Outcome**

While prudential borrowing requirement is likely to be less than budgeted in the current financial year this is anticipated to catch up over the programme life.

WEST DUNBARTONSHIRE COUNCIL  
GENERAL SERVICES CAPITAL PROGRAMME  
ANALYSIS OF RESOURCES WHERE VARIANCE IS OVER £0.050M

APPENDIX 6E

MONTH END DATE

31 March 2018

PERIOD

Year End

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast / Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

7	CFCR						
	Project Life Financials	(780)	(656)	84%	(780)	0	0%
	Current Year Financials	(740)	(616)	83%	(616)	123	-17%
	Project Description	This is capital spend which is funded by revenue budgets					
	Project Lifecycle	Planned End Date		31-Mar-18	Forecast End Date		31-Mar-19
	Main Issues / Reason for Variance						
	CFCR relating to cashless catering and Windfarms not applied in 2017/18 due to level of spend						
Mitigating Action							
Mitigating action is detailed within the amber status projects page							
Anticipated Outcome							
Application of CFCR as anticipated other than cashless catering							

<b>TOTAL RESOURCES</b>						
Project Life Financials	(313,153)	(154,152)	49%	(314,591)	(1,438)	0%
Current Year Financials	(93,967)	(45,198)	48%	(45,198)	48,769	-52%

WEST DUNBARTONSHIRE COUNCIL  
CAPITAL BUDGETARY CONTROL 2017/18  
HRA CAPITAL - CORPORATE SUMMARY - BUDGET AGAINST ACTUAL

Appendix 7

MONTH END DATE

31 March 2018

PERIOD

Period End

Department Summary	Total Budget 2017/18	Actual Spend 2017/18	Actual Variance 2017/18	Slippage	Over / (Under) Spend	RAG Status	
	£000	£000	£000	%	£000	£000	
Special Needs	300	301	1	0%	-	1	↑
CCTV Projects	129	105	(24)	-19%	(24)	0	↑
Priority Projects as advised by Housing Management	102	176	74	73%	0	74	↑
Capitalised Minor Works	800	822	22	3%	0	22	↑
Housing Asset Management	50	6	(44)	-88%	(44)	0	↑
Community Safety	136	38	(98)	-72%	(98)	0	↑
Integrated Housing Asset Management	765	306	(459)	-60%	(460)	1	→
Targeted SHQS compliance works	792	278	(514)	-65%	(519)	5	↑
Targeted EESSH compliance works	4,062	426	(3,636)	-90%	(3,636)	0	↓
Building external component renewals	3,076	2,541	(535)	-17%	(534)	(1)	→
Doors/window component renewals	1,500	1,494	(6)	0%	0	(6)	↑
External stores/garages/bin stores/drainage renewals	104	60	(44)	-42%	(44)	0	↑
Secure entry component renewals	70	10	(60)	-86%	(60)	0	↑
Statutory/regulatory compliance works	100	69	(31)	-31%	(31)	0	↑
Heating improvement works	600	663	63	11%	0	63	↑
Energy improvements/energy efficiency works	142	113	(29)	-20%	(29)	0	↑
Modern facilities and services	590	328	(262)	-44%	(262)	0	→
Void house strategy programme	2,500	3,559	1,059	42%	0	1,059	↓
Clydebank East demolition/homeloss & disturbance	128	81	(47)	-37%	(47)	0	↑
Regeneration/Demolition of Surplus Stock	1,550	89	(1,461)	-94%	(1,462)	1	↓
Contingencies	100	71	(29)	-29%	0	(29)	↑
Defective structures/component renewals	735	472	(263)	-36%	(263)	0	↑
Environmental renewal: paths/fences/walls/parking	1,280	1,055	(225)	-18%	(225)	0	↑
Asbestos management works	300	249	(51)	-17%	0	(51)	↑
Non Traditional and Traditional Improvement Works	2,459	8	(2,451)	-100%	(2,452)	1	↓
Projects to deliver housing policies/strategies	709	374	(335)	-47%	(336)	1	↑
New house build	6,869	5,708	(1,161)	-17%	(1,109)	(52)	↓
Direct Project Support	1,800	1,831	31	2%	0	31	↑
Total Expenditure	31,748	21,233	(10,515)	-33%	(11,635)	1,120	
New Build Grant	(4,167)	(3,141)	1,026	-25%	1,111	(85)	↓
Prudential Borrowing	(23,762)	(8,285)	15,477	-65%	10,371	5,106	↓
Capital Receipts	0	(2,650)	(2,650)	0%	0	(2,650)	↑
Other Grants/Contributions	(940)	(177)	763	-81%	153	610	↑
Loan Repayments	(14)	(11)	3	-21%	0	3	↑
CFCR	(2,865)	(6,969)	(4,104)	143%	0	(4,104)	↓
Total Resources	(31,748)	(21,233)	10,515	-33%	11,635	(1,120)	
Net Expenditure	0	0	0	0%	0	0	

WEST DUNBARTONSHIRE COUNCIL  
HRA CAPITAL PROGRAMME  
ANALYSIS OF PROJECTS AT RED STATUS

MONTH END DATE

31 March 18

PERIOD

Year End

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%
<b>Targeted EESSH compliance works</b>						
Project Life Financials	4,062	426	10%	4,061	(1)	0%
Current Year Financials	4,062	480	12%	426	(3,636)	-90%
Project Description	Low Rise Works					
Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Mar-19		
<b>Main Issues / Reason for Variance</b>						
This programme is behind schedule. Building Services continue their recruitment drive for this work stream. Building Services continue to deliver their portion of this programme within current resources and their back-up contractors for the current batch (smaller contracts) are progressing on site with their portion of work. Procurement Team have published a capability and capacity notice for the future major programme of this work to potential framework contractors and received a positive response. Officers have met with Scotland XL framework administrators to take this forward and are progressing the framework specification and contract requirements to go to a mini-comp for the future work load. Anticipated to be appointed by end of July.						
<b>Mitigating Action</b>						
Building Services will continue to drive recruitment to increase the number of appropriately skilled operatives whilst progressing the programme via current resources and existing back-up contractors. Procurement team and officers are progressing via the Scotland XL framework to procure a new larger delivery contract.						
<b>Anticipated Outcome</b>						
Project to progress as much as possible. Budget will not meet spend targets and is projected for a £3.636m re-phase into 18/19 at this stage whilst we work to increase output and resource and procure an alternative additional delivery contractor in conjunction with procurement officers.						
<b>Regeneration/Demolition of Surplus Stock</b>						
Project Life Financials	8,774	7,485	85%	8,774	0	0%
Current Year Financials	1,550	98	6%	89	(1,462)	-94%
Project Description	Regeneration/Demolition of Surplus Stock					
Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Mar-20		
<b>Main Issues / Reason for Variance</b>						
The year end position has resulted in slippage of £1.462m, made up as follows: O'Hare/Alexander Street - Contract has been approved and accepted, mobilisation and pre-start is underway, physical site activities have yet to commence. Slippage of £0.177m will be carried forward into 18/19 to complete. Creveul Court - Officers are working to re-house remaining tenant. Slippage of £0.100m is required for 18/19. Homeloss and Disturbance Payments - £0.030m slippage is required to provide for a budget in 18/19. The remaining slippage of £1.155m, stems from underspends on the Homeloss Budget (£0.195m), Unallocated budget (£0.639m) and Glenside/Muir Road (£0.321m) all of which were the result of budgets being set too high. Since a future budget is required for Clydebank East Demolition, it is requested that these underspends be carried forward into 18/19 and future years to be used for the Clydebank East Demolition which in turn reduces future borrowing requirements.						
<b>Mitigating Action</b>						
Alexander Street/O'Hare/Creveul Court - Officers to keep progress on track with all proposed demolition sites. Appropriate officers will continue focused efforts at Creueul Court in relation to decant.						
<b>Anticipated Outcome</b>						
Remaining demolition budget to be re-phased into 18/19 and 19/20.						



**WEST DUNBARTONSHIRE COUNCIL**  
**HRA CAPITAL PROGRAMME**  
**ANALYSIS OF PROJECTS AT RED STATUS**

MONTH END DATE

31 March 18

PERIOD

Year End

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%

3

<b>New house build</b>						
Project Life Financials	61,106	21,820	36%	61,054	(52)	0%
Current Year Financials	6,869	6,348	92%	5,708	(1,161)	-17%
Project Description	New house build					
Project Lifecycle	Planned End Date	31-Mar-23	Forecast End Date	31-Mar-23		
<b>Main Issues / Reason for Variance</b>						
<p>The year end spend on this project has resulted in an overspend of £0.072m which is mainly due to spend on Queens Quay (£0.057m), an underspend of £0.124m (£0.039m Second Ave and £0.085m Haldane PS site Acquisition) and slippage of £1.109m (£0.036m Fees &amp; Enabling, £0.069m Second Ave, £0.309m St Andrews, £0.300m Creveul Court, £0.395m Haldane PS). Progress on projects are as follows: Second Ave - Project Complete. £0.069m is required for 18/19 retention payment. St Andrews - The current year budget is in relation to the provision of design services, acquisitions, planning applications, building warrants, site investigations, enabling and remediation works, a balance of £0.309m is required to be re-phased into 2018/19. Creveul Court - Officers working to re-house remaining tenant resulting in re-phasing of £0.300m into 18/19. Haldane Acquisition - spend was dependent upon completion of new Balloch Campus, school transfer and clearance of existing Haldane PS site to allow asset transfer. For this reason, £0.395m is required to be re-phased into 18/19.</p>						
<b>Mitigating Action</b>						
<p>St Andrews - Officers are working to complete the development agreement for this phase of new build. The appointment of a number of specialist consultants have been progressed via quick quote or PCS (Structural engineering, mechanical and electrical design, topographical surveys, ecological, tree surveys, environmental impact assessment, site contamination). Creveul Court - Officers are following procedures to re-house remaining tenant working with other council departments. Haldane PS - Officers working to keep new build on programme and then progress clearance of existing site.</p>						
<b>Anticipated Outcome</b>						
<p>Slippage of £1.109m (£0.036m Fees &amp; Enabling, £0.069m Second Ave, £0.309m St Andrews, £0.300m Creveul Court, £0.395m Haldane PS) is required to be re-phased into 18/19.</p>						

4	Void house strategy programme						
	Project Life Financials	2,500	3,559	142%	3,559	1,059	42%
	Current Year Financials	2,500	3,782	151%	3,559	1,059	42%
	Project Description	This budget is to fund the improvement of void housing stock to improve the quality of life for tenants in buildings which are difficult to live in and are unpopular, and / or to tackle anti-social difficulties, crime and fear of crime. Investment is designed to assist in reducing the level of voids.					
	Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Mar-18		
	Main Issues / Reason for Variance						
	Demand led programme to meet void targets. However, demand has been greater than originally budgeted, resulting in an overspend of £1.059m.						
Mitigating Action							
None available at this time.							
Anticipated Outcome							
Project outturn has exceeded budget.							

5	Project Status has been changed						
	Non Traditional and Traditional Improvement Works						
	Project Life Financials	2,459	8	0%	2,459	0	0%
	Current Year Financials	2,459	9	0%	8	(2,452)	-100%
	Project Description	Risk Street Over clad					
	Project Lifecycle	Planned End Date	31-Mar-19	Forecast End Date	31-Mar-20		
	Main Issues / Reason for Variance						
This project has taken considerable time to liaise and negotiate with owners to take this forward procure a competitive tender and finalise the Building Warrant. The Building Warrant has now been approved and received. The contract was awarded on 13 March 18. Initial meetings will take place with the successful contractor shortly, followed by a tenants/owner drop-in session and site compound area to be agreed and advised to residents. As the contract is planned to be completed over an 18 month period, there is a resulting re-phasing of £2.452m into 2018/19/20. With an anticipated contract end date of March 20.							
Mitigating Action							
Procurement Officer and Project Surveyor working to issue contract award asap. Customer Liaison officer and Project Team will coordinate an open drop in session for residents with project design details and information presentations in conjunction with the successful contractor post award.							
Anticipated Outcome							
Works anticipated be completed over 2018/19 and 2019/20, estimated for completion by second half of 2019/20 delivering a major external upgrade of 6 blocks in Risk St. Dumbarton for 72 tenants and 63 owners within budget.							

WEST DUNBARTONSHIRE COUNCIL  
HRA CAPITAL PROGRAMME  
ANALYSIS OF PROJECTS AT RED STATUS

MONTH END DATE

31 March 18

PERIOD

Year End

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%
Project Life Financials	78,902	33,299	42%	79,909	1,007	1%
Current Year Financials	17,442	10,717	61%	9,790	(7,651)	-44%

WEST DUNBARTONSHIRE COUNCIL  
HRA CAPITAL PROGRAMME  
ANALYSIS OF PROJECTS AT AMBER STATUS

MONTH END DATE

31 March 18

PERIOD

Year End

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%

1 Integrated Housing Asset Management

Project Life Financials	876	417	48%	877	1	0%
Current Year Financials	765	325	42%	306	(459)	-60%

Project Description Integrated Housing Management System

Project Lifecycle Planned End Date 31-Aug-18 Forecast End Date 31-Mar-19

**Main Issues / Reason for Variance**

The project has been delayed due to finalising the contract documentation with the supplier and delays from incumbent system provider in the provision of access to Saffron data (delay in resolving ongoing issue, target of 11th October was not met by Civica, although this has recently been resolved). Project has been re-phased with a go-live date planned of 3rd December 2018, therefore budget of £0.459m is required to be re-phased into 18/19. As a result of the delay in completion of the project, staffing is to be extended to 31st March 2019 in order to support implementation of new system.

**Mitigating Action**

Officers will continue to seek opportunities to mitigate any further delays to the project.

**Anticipated Outcome**

Project is to be delivered in-line with rephased project timeline.

2 Building external component renewals

Project Life Financials	3,076	2,541	83%	3,076	0	0%
Current Year Financials	3,076	2,862	93%	2,541	(534)	-17%

Project Description Building external component renewals

Project Lifecycle Planned End Date 31-Mar-18 Forecast End Date 31-Mar-18

**Main Issues / Reason for Variance**

Issues which have impacted on in-year progress are; productivity, availability of tiles and liaison with owners involved in roof renewals. Analysis of overall completions rates were less than programmed. However, slightly more output on pitched roofs

**Mitigating Action**

Building Services are working to increase output, which has shown improvement in recent weeks. Liaison officers continue to progress matters with owners to keep the workflow going.

**Anticipated Outcome**

Overall this programme will not meet spend targets, and the underspend of £0.534m will be re-phased into 18/19.

WEST DUNBARTONSHIRE COUNCIL  
HRA CAPITAL PROGRAMME  
ANALYSIS OF PROJECTS AT AMBER STATUS

MONTH END DATE

31 March 18

PERIOD

Year End

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%

3 **Modern facilities and services**

Project Life Financials	590	328	56%	590	0	0%
Current Year Financials	590	348	59%	328	(262)	-44%

Project Description Bathrooms and Kitchens

Project Lifecycle Planned End Date 31-Mar-18 Forecast End Date 31-Mar-18

**Main Issues / Reason for Variance**

Condition information identifies addresses for bathroom and kitchen renewals. Tenant agreement and uptake is less than needed to meet the programme and remains a challenge, however officers continue to contact tenants by letter and telephone in efforts to encourage uptake with brochures having been developed to show the range of options and finished examples to try and persuade them to agree. In addition the Housing Improvement Board has agreed to add showers to the bathroom specification and it is hoped that this will increase desirability and uptake. Recent response has seen an increase in uptake. £0.262m will be re-phased into future years

**Mitigating Action**

Officers are contacting tenants with new brochure information and shower inclusion in efforts to increase uptake. Tenants are offered additional support and assistance if required to help and mitigate with the disturbance e.g. packing up kitchens, ensuring water and cooking facilities available as soon as possible, etc.

**Anticipated Outcome**

Number of completions less than programmed, resulting in slippage of £0.262m to be re-phased to future years.

Project Life Financials	4,542	3,286	72%	4,543	1	0%
Current Year Financials	4,430	3,535	80%	3,175	(1,255)	-28%

WEST DUNBARTONSHIRE COUNCIL  
HRA CAPITAL PROGRAMME  
ANALYSIS OF PROJECTS AT GREEN STATUS > £50K

MONTH END DATE

31 March 18

PERIOD

Year End

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%

1 **Contingencies**

Project Life Financials	100	71	71%	71	(29)	-29%
Current Year Financials	100	75	75%	71	(29)	-29%

Project Description Contingency budget for unforeseen works

Project Lifecycle Planned End Date 31-Mar-18 Forecast End Date 31-Mar-18

**Main Issues / Reason for Variance**

This is a contingent budget for unforeseen matters which may arise during the year. Current year spend relates to extensive fire damage at Burn Street affecting 12 properties.

**Mitigating Action**

None required

**Anticipated Outcome**

Under spend in this financial year

2 **Defective structures/component renewals**

Project Life Financials	735	472	64%	735	0	0%
Current Year Financials	735	531	72%	472	(263)	-36%

Project Description Drumry Structural Works 15/16

Project Lifecycle Planned End Date 31-Mar-18 Forecast End Date 31-Mar-18

**Main Issues / Reason for Variance**

Project is underway at 204 Montrose St which is fully vacated. The next block after this is identified in Alsatian Ave and all tenants have been decanted. Slippage of £0.263m is required to be re-phased into 18/19.

**Mitigating Action**

Technical officers working to obtain the building warrant. Contract team will clear out of Montrose St and move to Alsatian Ave for clearances to progress as much as possible.

**Anticipated Outcome**

Completion of block at 204 Montrose St and progression into Alsatian Ave.

Project Life Financials	835	543	65%	806	(29)	-4%
Current Year Financials	835	607	73%	543	(293)	-35%

**WEST DUNBARTONSHIRE COUNCIL  
HRA CAPITAL PROGRAMME  
ANALYSIS OF RESOURCES**

**MONTH END DATE**

**31 March 18**

**PERIOD**

**Year End**

Budget Details	Project Life Financials					
	Budget	Income to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

**1 New Build Grant**

Project Life Financials	(27,266)	(10,337)	38%	(27,351)	(85)	0%
Current Year Financials	(4,167)	(3,141)	75%	(3,141)	1,026	-25%

Project Description Grant to facilitate the building of new build housing

Project Lifecycle Planned End Date 31-Mar-22 Forecast End Date 31-Mar-22

**Main Issues / Reason for Variance**

Grant income relating to the Haldane acquisition £0.480m was received late 2016/17 and has been held on the balance sheet. It will not be applied until 2018/19 when the transfer of the site will take place, however the transfer value has been agreed at a value of £0.395m resulting in an underachievement of grant income of £0.085m (although this is offset by purchase cost being £0.085m less than budgeted). Delays to the works at the St Andrews site and Creveul Court has meant that less SG grant drawdowns have been made.

**Mitigating Action**

None required

**Anticipated Outcome**

Further SG Grant drawdowns will be made in 18/19 to match expenditure.

**2 Prudential Borrowing**

Project Life Financials	(64,907)	(24,760)	38%	(59,973)	4,934	-8%
Current Year Financials	(23,762)	(8,284)	35%	(8,284)	15,478	-65%

Project Description Prudential borrowing to finance capital expenditure not already funded from grants/contributions, revenue contributions or capital receipts

Project Lifecycle Planned End Date 31-Mar-23 Forecast End Date 31-Mar-23

**Main Issues / Reason for Variance**

Prudential Borrowing is impacted by both the total level of capital spend and the level of other capital resources. The level of prudential borrowing in 2017/18 overall, is likely to be less than anticipated for reasons identified within each project that shows re-phasing requirements in the red and amber analysis.

**Mitigating Action**

Mitigating actions are detailed in the red and amber analysis

**Anticipated Outcome**

Prudential Borrowing is overall likely to be less than anticipated.

**WEST DUNBARTONSHIRE COUNCIL  
HRA CAPITAL PROGRAMME  
ANALYSIS OF RESOURCES**

**MONTH END DATE**

**31 March 18**

**PERIOD**

**Year End**

Budget Details	Project Life Financials				
	Budget	Income to Date	Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000

**3 Capital Receipts**

Project Life Financials	0	(2,650)	100%	(2,650)	(2,650)	100%
Current Year Financials	0	(2,650)	100%	(2,650)	(2,650)	100%
Project Description	Capital receipts from the sale of land or application to purchase houses under Right to Buy Legislation prior to end of scheme					
Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Mar-18		

**Main Issues / Reason for Variance**

Capital receipts were not anticipated to be received due to the closure of the Right to Buy Scheme, however receipts are still being received for applications submitted prior to the end of the scheme resulting in unbudgeted income being received.

**Mitigating Action**

None required due to favourable variance

**Anticipated Outcome**

Unbudgeted income received

**TOTAL RESOURCES**

Project Life Financials	(99,472)	(44,905)	45%	(100,765)	(1,293)	1%
Current Year Financials	(31,748)	(21,233)	67%	(21,233)	10,516	-33%

**DR A K GLEN & WEST DUNBARTONSHIRE TRUST FUNDS**  
**DRAFT ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**



## **DR A K GLEN & WEST DUNBARTONSHIRE TRUST FUNDS**

### **CONTENTS**

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## Trustees' Annual Report

### Introduction

The Trustees present the annual report together with the Financial Statements for the year ended 31 March 2018.

### Administration Information

West Dunbartonshire Council is sole Trustee for all Trust Funds with the exception of Dunbartonshire Educational Trust Scheme 1962 and McAuley Prize for Mathematics. The table below identifies the Trustees pre and post-election for 2017/18. The pre-election Trustees were in place as at the start of the year (1 April 2017). However, during 2017/18, following a Local Government election there were changes to the Trustees. The post-election column identifies the current Trustees.

Trust Funds	Charity Number	Pre-Election Trustees	Post-Election Trustees	Local Authority	Contact Address
Alexander Cameron Bequest	SC025070	Provost Douglas McAllister Councillor John Mooney Councillor Lawrence O'Neill Councillor Gail Casey	Provost William Hendrie Bailie Denis Agnew Councillor Jim Brown Councillor Gail Casey  Councillor Diane Docherty Councillor Jim Finn Councillor Daniel Lennie Councillor Douglas McAllister Councillor Marie McNair Councillor John Mooney Councillor Lawrence O'Neill	West Dunbartonshire Council	West Dunbartonshire Council, Council Offices, Garshake Road, Dumbarton, G82 3PU
Dr AK Glen	SC018701	Councillor George Black Councillor David McBride Councillor Tommy Rainey Councillor Ian Murray	Councillor Karen Conaghan Councillor David McBride Councillor Ian McLaren Councillor Brian Walker	West Dunbartonshire Council	West Dunbartonshire Council, Council Offices, Garshake Road, Dumbarton, G82 3PU

## Trustees' Annual Report (continued)

Trust Funds	Charity Number	Pre-Election Trustees	Post-Election Trustees	Local Authority	Contact Address
UIE Award	SC025070	Councillor George Black Councillor Gail Casey  Councillor Jim Finn  Councillor David McBride Councillor Jonathan McColl Councillor Patrick McGlinchey Councillor John Mooney Councillor Lawrence O'Neill Councillor Tommy Rainey Councillor Gail Robertson Councillor Martin Rooney Councillor Kath Ryll	Councillor Jim Brown Councillor Ian Dickson Councillor Diane Docherty Councillor Jim Finn  Councillor Daniel Lennie Councillor Caroline McAllister Councillor David McBride Councillor Jonathon McColl Councillor Iain McLaren Councillor John Mooney Councillor Martin Rooney	West Dunbartonshire Council	West Dunbartonshire Council, Council Offices, Garshake Road, Dumbarton, G82 3PU
Vale of Leven Trust	SC025070	Councillor Jonathan McColl Councillor Martin Rooney Councillor Hazel Sorrell Councillor James Bolland Councillor Michelle McGinty Councillor John Millar  Councillor Gail Robertson	Councillor Jonathon McColl Councillor Martin Rooney Councillor Sally Page  Councillor James Bolland Councillor Ian Dickson Councillor Caroline McAllister Councillor John Millar	West Dunbartonshire Council	West Dunbartonshire Council, Council Offices, Garshake Road, Dumbarton, G82 3PU
Dunbartonshire Education Trust Scheme 1962 McAuley Prize for Mathematics	SC025070  SC025070	Provost Douglas McAllister  Councillor John Mooney Councillor Michelle McGinty Councillor David Kinniburgh Councillor Maureen Henry Councillor Eric Gotts  Councillor John Jamieson Councillor Barry McCulloch Councillor Jean Jones	Councillor Karen Conaghan  Councillor John Mooney  Councillor Graham Archibald Hardie Councillor John Jamieson  Councillor Gillian Fannan Councillor Thomas Johnston	West Dunbartonshire Council  West Dunbartonshire Council West Dunbartonshire Council Argyll & Bute Council  East Dunbartonshire Council East Dunbartonshire Council East Dunbartonshire Council North Lanarkshire Council North Lanarkshire Council	West Dunbartonshire Council, Council Offices, Garshake Road, Dumbarton, G82 3PU

## **Trustees' Annual Report (continued)**

### **Objectives and in-year activity**

The activities of each of the Trusts are detailed below:

#### **SC018701 – Dr AK Glen**

- This fund is for the benefit of the people of Dumbarton, to assist and relieve those in need by reason of age.

#### **SC025070 – West Dunbartonshire Trusts**

- Alexander Cameron Bequest - for the benefit of the people of Clydebank to assist those in need by reason of age, ill health, disability, financial hardship or other disadvantage;
- Vale of Leven Fund - for the benefit of the people of the Vale of Leven to assist those in need by reason of age, ill health, disability, financial hardship or other disadvantage;
- UIE Award - for students studying apprenticeships or training in industry;
- Dunbartonshire Educational Trust Scheme 1962- awards educational prizes and bursaries; and
- McAuley Prize for Mathematics - provides prizes for those studying maths and computing.

All trusts are advertised on West Dunbartonshire Council's website and details have been passed to West Dunbartonshire Community and Volunteering Service (WDCVS) to publicise them.

#### **Dr A K Glen Fund**

The Trust seeks to disburse available funds arising from investment income attained, with two grants being awarded during 2017/18, totalling £1,000.

#### **Alexander Cameron Bequest**

The Alexander Cameron Bequest seeks to disburse available funds arising from investment income attained, with five grants being awarded during 2017/18, totalling £6,820.

#### **Vale of Leven Fund**

It was agreed by Trustees during 2016/17 that the funds should be disbursed in full. The publicising of the availability of the Trust has been undertaken during 2017/18. However, the funds have not yet been disbursed in full, with only one grant being awarded in 2017/18, totalling £2,000.

#### **Trusts with no in-year activity**

The UIE Award Trust did not meet during 2017/18, with no funding applications received and no grant funding awarded. Work is currently underway to review and modernise the Trust's governance arrangements to encourage funding applications in the future.

The Trustees for the Dunbartonshire Educational Trust Scheme 1962 and the McAuley Prize for Mathematics did not meet during 2017/18. The Trustees have been seeking clarification as to amendments to the governance arrangements. As these Trusts are governed by statute, discussions are ongoing between the Council (as Administrator) and Scottish Ministers and Office of the Scottish Charity Regulator (OSCR) regarding these arrangements.

#### **Winding-up of Trusts: War Memorial Dumbarton and Halkett Memorial Trust**

During 2016/17, the Trustees agreed that funds in relation to War Memorial Dumbarton and Halkett Memorial Trust should be disbursed in full. As a result of this, prior to the 31 March 2017, the full value of each Trust was disbursed as agreed, with steps taken to wind up the Trusts prior to 31 March 2017.

## Trustees' Annual Report (continued)

### Structure and Governance

Dr AK Glen and West Dunbartonshire Trust Funds are registered with the OSCR. The governance arrangements are under the control of West Dunbartonshire Council (the Council), which appoints trustees as required. Trustees are elected members of West Dunbartonshire Council with the exception of the Dunbartonshire Education Trust Scheme 1962 and McAuley Prize for Mathematics. The trustees of both the Dunbartonshire Educational Trust and the McAuley Prize for Mathematics are elected members from West Dunbartonshire Council, Argyll & Bute Council, East Dunbartonshire Council and North Lanarkshire Council.

Following a review of the governance documents, it was agreed at Council on 31 August 2016 that the remaining Trust Funds would be delegated to sub-committees as follows:

Trust	Delegation
Alexander Cross Cameron Bequest	Alexander Cross Cameron Committee
Vale of Leven Fund	Vale of Leven Sub-Committee
Dr A K Glen Fund	Dumbarton Trust Sub-Committee

The trustees have overall responsibility for ensuring that there are appropriate systems of control, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trusts and enable them to ensure that the Financial Statements comply with Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charity and hence responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurances that:

- The trusts are operating efficiently and effectively;
- Assets are safeguarded against unauthorised use and disposition;
- Proper records are maintained and financial information used by the charities is reliable; and
- The trusts comply with relevant laws and regulations.

The systems of internal controls are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. The systems of internal control follow those of the West Dunbartonshire Council itself and, as such, much of this is delegated to the Council's Strategic Lead - Resources. The Council continually seeks to improve the effectiveness of its systems of internal control so that any irregularities are either prevented or quickly detected. The systems of internal control are based on a framework of regular management information, financial regulations, financial and administrative procedures (including segregation of duties), management supervision and a system of delegation and accountability.

The Financial Statements and Trustees Report are prepared by the Finance Service within West Dunbartonshire Council.

The appointed external auditors are Audit Scotland. The Council has agreed to meet the cost of this audit and not pass this on to the trusts. This is to provide additional financial support to the trusts, ensuring that core funds are not eroded, and objectives can continue to be achieved.

The Trustees only meet as and when required during the year and will ensure that the required accounting arrangements are adhered to.

## **Trustees' Annual Report (continued)**

### **Management of Funds and Investment Policy**

Decisions regarding the management of the trusts are made by the Trustees. Trustees rely on the expertise of Council staff to manage the investments to ensure the maximum return at the least risk to the Trusts. In this way, the income stream for the future benefit of the Trusts is protected.

Funds available are invested each year with interest earned. Investments are made both internally and externally, with the majority invested in the Council's Loans Fund and externally managed by West Dunbartonshire Council.

### **Performance**

Income for Dr AK Glen & West Dunbartonshire Trusts comes from investment returns. The average interest rate for any internal investments with the Council's loans fund was 0.35%.

In 2015, 2 1/2% Consolidated Stock and 3 1/2% Conversion Stock were redeemed by HM Treasury which reduced the level of investment held. These were previously valued at £2,587 but due to market conditions, the value of the actual funds received during 2017/18 was £2,551, resulting in a small loss of £36.

Dunbartonshire Educational Trust Scheme 1962 continues to receive income from external investments i.e. 3% Clydeport and 4% Clydeport Consolidated Stock. These investments are managed by West Dunbartonshire Council and achieved investment income of £10 in 2017/18.

### **Financial Review**

The total balance on the Trusts as at 31 March 2018 (including stocks) is £315,296.

On 8<sup>th</sup> July 2016 Clydeport Operations Ltd delisted 3% and 4% stocks from the London Stock Exchange. These are stocks held by Dumbarton Educational Trust. Until further information is available it has been assumed that the balance of this stock has remained the same as the previous year (£218).

The trusts held cash and bank balances at 31 March 2018 of £315,078. Reserves are held by the Council on behalf of the trusts and revenue income, generated from investment interest that has not been disbursed at 31 March every year, is invested in line with the investment policy outlined above.

### **Declaration**

This report was signed on behalf of the Trustees on 27 June 2018 by:

Councillor Jonathon McColl  
West Dunbartonshire Council  
27 June 2018

# Statement of Receipts & Payments Account for the Year Ended 31 March 2018

Receipts 2016/17 £	Payment 2016/17 £	Surplus/ (Deficit) 2016/17 £		Receipts 2017/18 £	Payment 2017/18 £	Surplus/ (Deficit) 2017/18 £
330	0	330	Dunbartonshire Educational Trust Scheme 1962	2,875	0	2,875
80	0	80	McAuley Prize for Mathematics	74	0	74
570	0	570	Alexander Cameron Bequest	522	6,820	(6,298)
55	15,352	(15,297)	War Memorial Dumbarton	0	0	0
9	2,653	(2,644)	Halkett Memorial Trust	0	0	0
44	0	44	Vale of Leven Fund	29	2,000	(1,971)
86	0	86	UIE Award	84	0	84
93	0	93	Dr AK Glen	88	1,000	(912)
<b>1,267</b>	<b>18,005</b>	<b>(16,738)</b>	<b>Total</b>	<b>3,672</b>	<b>9,820</b>	<b>(6,148)</b>

# Statement of Balances as at 31 March 2018

Opening Balance 2016/17 £	Surplus (Deficit) 2016/17 £	Closing Balance 2016/17 £	Note		Opening Balance 2017/18 £	Surplus/ (Deficit) 2017/18 £	Closing Balance 2017/18 £
				<b>Cash and Bank</b>			
85,746	330	86,076		Dunbartonshire Educational Trust Scheme 1962	86,076	2,875	88,951
21,376	80	21,456		McAuley Prize for Mathematics	21,456	74	21,530
154,394	570	154,964		Alexander Cameron Bequest	154,964	(6,298)	148,666
15,297	(15,297)	0		War Memorial Dumbarton	0	0	0
2,644	(2,644)	0		Halkett Memorial Trust	0	0	0
8,325	44	8,369		Vale of Leven Fund	8,369	(1,971)	6,398
24,172	86	24,258		UIE Award	24,258	84	24,342
26,010	93	26,103		Dr AK Glen	26,103	(912)	25,191
<b>337,964</b>	<b>(16,738)</b>	<b>321,226</b>		<b>Total Cash and Bank</b>	<b>321,226</b>	<b>(6,148)</b>	<b>315,078</b>
				<b>Investment</b>			
2,805	0	2,805	5	Dunbartonshire Educational Trust Scheme 1962	2,805	(2,587)	218
<b>2,805</b>	<b>0</b>	<b>2,805</b>		<b>Total Investment</b>	<b>2,805</b>	<b>(2,587)</b>	<b>218</b>
<b>340,769</b>	<b>(16,738)</b>	<b>324,031</b>		<b>Overall Total</b>	<b>324,031</b>	<b>(8,735)</b>	<b>315,296</b>

All funds are unrestricted which means they may be used for any purpose relevant to the Trust Fund.

The unaudited Financial Statements were issued on 27 June 2018.

Signed on behalf of the Trustees by:-

Councillor Jonathon McColl  
West Dunbartonshire Council  
27 June 2018



## **Notes to the Financial Statements**

### **Note 1 - Basis of Accounting**

The Financial Statements have been prepared on a receipts and payments basis and in accordance with the Charities & Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

### **Note 2 – Trustee Remuneration, Expenses and Related Party Transactions**

- No remuneration or expenses were paid to the Trustees or any connected persons during the 2017/18;
- The Trusts received interest of £1,111 from the Council at 31 March 2018, and all transactions incoming and outgoing are made via the Council's bank accounts; and
- The Council has not charged the charity any fees for legal, financial or administrative services provided during the year.

### **Note 3 – Grants**

In 2017/18 the following grants were awarded:

#### Alexander Cameron Bequest

- £ 410 to Faifley Art Group as a contribution towards a member day trip to the Stirling Smith Gallery and Museum;
- £3,000 to Faifley Community Council to fund community gala day;
- £2,160 to 130 Club as a contribution to a 4 day holiday to Dunoon for 36 people;
- £500 to Radnor Park Church as a contribution towards a Christmas Tree Festival; and
- £750 to Central Radnor Park Tenants & Residents Association as a contribution towards a Christmas Fayre.

#### Vale of Leven Fund

- £2,000 to Oakbank Tenants Social Club as a contribution towards a gardening project.

#### DR A.K. Glen Fund

- £500 to Healthy Heart Lifestyle Club to purchase a defibrillator; and
- £500 to Manage Your Pain Group as a contribution towards members' trip to Edinburgh.

### **Note 4 – Cash and Bank Balances**

During the year the trusts balances were held by the Council, which manages the administration of the funds on behalf of the Trustees. No costs were incurred by the trusts for this administration. The Council also acts as the banker for the trusts and, as detailed above, all transactions incoming and outgoing are made via the Council's accounts. The balances are repayable on demand. Interest is paid on balances.

## Notes to the Financial Statements (continued)

### Note 5 – Investment

The investment valuation of £218 (shown in the table below) is the market value as at 31 March 2016, as valued by West Dunbartonshire Council. There has been notification that the stocks have been delisted in July 2016. There has been no further update on this and therefore the assumption is that the market price remains the same.

<b>Purchase Price as at 31 March 2017</b>	<b>£</b>	<b>Market Price as at 31 March 2017</b>	<b>£</b>	<b>Investment</b>	<b>Purchase Price as at 31 March 2018</b>	<b>£</b>	<b>Market Price as at 31 March 2018</b>	<b>£</b>
	289		199	4% Clydeport authority		289		199
	35		19	3% Clydeport Authority		35		19
	<b>324</b>		<b>218</b>	<b>Total</b>		<b>324</b>		<b>218</b>

### Note 6 – Audit Fee

The audit fee for the year of £2,100 (£2,100 2016/17) was absorbed by West Dunbartonshire Council.

**DRAFT BUDGET TIMETABLE 2019/20**

<b>Due Date</b>	<b>Actions</b>	<b>Who is involved</b>
29/06/2018	Budget and Planning guidance issued	Finance Manager
17/08/2018	Services to supply savings options to Finance in Final Draft State with full involvement of Finance & HR Business Partners	Strategic Leads and Management Teams/ Finance Business Partners / HR Business Partners / Procurement Business Partners
28/08/2018	Performance and Management Review Group meet to consider budget savings options.	Performance and Management Review Group
29/08/2018	Draft Updated Finance Strategy 2019/20 to 2021/22 to Council	Strategic Lead – Resources / Finance Manager
31/08/2018	Detailed Revenue projected outturn for 2018/19 and draft budgets for 2019/20 to 2021/22 to be provided to Strategic Lead – Resources	Strategic Leads / Financial Business Partners / Finance Manager
30/10/2018	Performance and Management Review Group meet to finalise budget savings package for report to November 2018 Council.	Performance and Management Review Group / Finance Manager
By 30/10/2018	Directors / Strategic Leads to consult with Convenors on budgets and draft options	All Strategic Directors / Strategic Leads
By 31/10/2018	Consult with Trades Unions	Performance and Management Review Group / Administration
By 31/10/2018	Complete scrutiny of draft budgets.	Strategic Lead – Resources / Finance Manager
08/11/2018	Budget Working Group meet to consider draft budget and draft options	Budget Working Group
28/11/2018	Draft Budget presented to Council together with options	Strategic Lead – Resources / Finance Manager
13/12/2018	Settlement announced and worked through budget.	Strategic Lead – Resources / Finance Manager
19/12/2018	Update report to 19 December 2018 Council meeting following settlement	Strategic Lead – Resources / Finance Manager
By 07/02/2019	Public and employee consultation completed	Strategic Lead – CCC / Strategic Directors and Leads / Strategic Lead - People & Technology
21/02/2019	Finalise reports for Council meeting on 7 March 2019	Strategic Lead – Resources / Finance Manager / Strategic Lead - CCC
07/03/2019	Set budget for 2019/20	All Members





## **NOT FOR PUBLICATION**

**by virtue of Paragraphs 8 and 9 of Part 1 of  
Schedule 7A of the Local Government (Scotland)  
Act, 1973**

(8) THE AMOUNT OF ANY EXPENDITURE  
PROPOSED TO BE INCURRED BY THE AUTHORITY  
UNDER ANY PARTICULAR CONTRACT FOR THE  
ACQUISITION OF PROPERTY OR THE SUPPLY OF  
GOODS OR SERVICES

(9) ANY TERMS PROPOSED OR TO BE PROPOSED  
BY OR TO THE AUTHORITY IN THE COURSE OF  
NEGOTIATIONS FOR A CONTRACT FOR THE  
ACQUISITION OR DISPOSAL OF PROPERTY OR THE  
SUPPLY OF GOODS AND SERVICES

